Final Evaluation	Quality of Programming (0-65)	Accountability and transparency (0-15)	Improved Budget Practice (0-15)	Total (0-10) with equal weight for the 20 criteria	Quality of Programming (0-10)	Accountability and transparency (0-10)	Improved Budget Practice (0-10)	Total (0-10) with equal weight for the 3 performance areas	Scoring difference between different weight applications
Logar	0	0	0	0.0	0.0	0.0	0.0	0.00	0.00
Panjsher	37	8	8	5.6	5.7	5.3	5.3	5.45	0.13
Herat	34	9	9	5.5	5.2	6.0	6.0	5.74	-0.27
Kapisa	39	9	8	5.9	6.0	6.0	5.3	5.78	0.12
Sare Pul	35	8	10	5.6	5.4	5.3	6.7	5.79	-0.22
Nooristan	40	9	8	6.0	6.2	6.0	5.3	5.83	0.17
Kabul	45	8	8	6.4	6.9	5.3	5.3	5.86	0.56
Urozgan	34	9	10	5.6	5.2	6.0	6.7	5.97	-0.39
Laghman	40	9	9	6.1	6.2	6.0	6.0	6.05	0.05
Kandahar	49	8	9	6.9	7.5	5.3	6.0	6.29	0.66
Parwan	42	9	10	6.4	6.5	6.0	6.7	6.38	0.04
Samangan	42	12	7	6.4	6.5	8.0	4.7	6.38	0.04
Balkh	44	8	11	6.6	6.8	5.3	7.3	6.48	0.15
Paktia	40	10	10	6.3	6.2	6.7	6.7	6.50	-0.18
Khost	48	8	11	7.1	7.4	5.3	7.3	6.68	0.37
Badakhshan	44	10	10	6.7	6.8	6.7	6.7	6.70	0.04
Kunduz	49	9	10	7.2	7.5	6.0	6.7	6.74	0.42
Daykundi	37	11	11	6.2	5.7	7.3	7.3	6.79	-0.58
Farah	42	9	12	6.6	6.5	6.0	8.0	6.82	-0.19
Ghor	42	9	12	6.6	6.5	6.0	8.0	6.82	-0.19
Helmand (PBGF)	47	9	11	7.1	7.2	6.0	7.3	6.85	0.20
Jawzjan	43	9	12	6.7	6.6	6.0	8.0	6.87	-0.13
Nangarhar	40	11	11	6.5	6.2	7.3	7.3	6.94	-0.41
Ghazni	45	11	10	6.9	6.9	7.3	6.7	6.97	-0.03
Kunar	50	9	11	7.4	7.7	6.0	7.3	7.01	0.36
Baghlan	48	11	10	7.3	7.4	7.3	6.7	7.13	0.13
Badghis	49	9	12	7.4	7.5	6.0	8.0	7.18	0.19
Takhar	47	10	12	7.3	7.2	6.7	8.0	7.30	-0.04
Nimroz	43	11	12	6.9	6.6	7.3	8.0	7.32	-0.37
Paktika	45	11	12	7.2	6.9	7.3	8.0	7.42	-0.26
Zabul	51	11	12	7.8	7.8	7.3	8.0	7.73	0.06
Wardak	49	12	12	7.7	7.5	8.0	8.0	7.85	-0.16
Faryab	44	11	15	7.4	6.8	7.3	10.0	8.03	-0.67
Bamyan	52	11	14	8.1	8.0	7.3	9.3	8.22	-0.12
Average (μ)	**44**	**10**	**11**	6.7	**6.69**	**6.42**	**7.05**	**6.72**	**-0.01**
						0.68	**Standard deviation (σ)**	**0.68**	
							Mean ± 1 STD [= μ ± σ]	**6.04**	**7.41**
							Mean ± 2 STD [= μ ± 2σ]	**5.35**	**8.09**

Province	1st Quarter	Mid-Term	Final Evaluation	*Average*
Sare Pul	1.5	6.8	5.8	***4.7***
Logar	4.6	4.9	0.0	***4.7***
Panjsher	5.1	4.5	5.5	***5.0***
Kapisa	4.8	4.3	5.8	***5.0***
Parwan	6.0	3.4	6.4	***5.2***
Baghlan	5.4	3.6	7.1	***5.4***
Laghman	4.4	6.1	6.1	***5.5***
Samangan	5.2	5.7	6.4	***5.8***
Urozgan	3.8	5.8	6.0	***6.0***
Herat	7.2	6.5	5.7	***6.1***
Nooristan	6.4	0.0	5.8	***6.1***
Daykundi	5.9	5.8	6.8	***6.3***
Nangarhar	5.1	7.3	6.9	***6.4***
Kandahar	5.8	7.5	6.3	***6.5***
Balkh	7.2	5.9	6.5	***6.5***
Paktia	6.0	7.5	6.5	***6.7***
Badakhshan	1.0	0.0	6.7	***6.7***
Jawzjan	6.0	6.6	6.9	***6.7***
Kunduz	5.9	5.7	6.7	***6.7***
Faryab	5.5	6.8	8.0	***6.8***
Kabul	6.3	8.3	5.9	***6.8***
Ghor	5.2	6.1	6.8	***6.8***
Takhar	6.3	7.0	7.3	***6.8***
Farah	6.6	7.7	6.8	***7.0***
Helmand	7.3	7.3	6.9	***7.2***
Ghazni	4.9	7.4	7.0	***7.2***
Khost	7.2	7.8	6.7	***7.2***
Badghis	6.9	7.6	7.2	***7.2***
Zabul	6.9	7.8	7.7	***7.5***
Nimroz	6.9	7.8	7.3	***7.5***
Kunar	7.6	8.5	7.0	***7.7***
Paktika	8.1	8.1	7.4	***7.9***
Wardak	8.1	7.9	7.8	***7.9***
Bamyan	7.6	8.1	8.2	***8.0***
Average (μ)	**5.8**	**6.6**	**6.7**	***6.4***
STD (σ)	**1.6**	**1.4**	**0.7**	**0.9**
			μ - σ	**5.5**
			μ + σ	**7.3**

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FACT SHEET

Performance-Based Governance Fund (PBGF)

OVERVIEW

The Performance-Based Governance Fund (PBGF) empowers provincial governors by providing them with operational budgets to enhance their relationships with citizens and improve their overall management capacity. PBGF aims to: 1) improve performance of Provincial Governors' Offices (PGOs) by meeting day-to-day funding requirements; 2) strengthen the financial management capacity of PGO staff; and, 3) build the capacity of the Independent Directorate of Local Governance (IDLG) to administer provincial funding and evaluate provincial administrations. As part of the program, governors and their offices are evaluated on a quarterly basis related to their use of PBGF. Based on these findings, the governors are publicly ranked, with the top six scorers receiving an additional 25 percent budget increase, while the bottom six receive a 25 percent reduction in funding.

ACTIVITIES

- The program provides each PGO an average annual fund of $300,000 per province per year ($25,000 per month), which the PGOs are allowed to spend on the following: 1) equipment; 2) transportation; 3) maintenance and repair of public facilities; 4) computer, information technology (IT), and communications; 5) capacity building; and, 6) community outreach.
- PBGF embeds a locally-hired advisor in each PGO to provide advice and oversight on the use of funds and to transfer skills to PGO staff.
- Teams comprised of PBGF and IDLG staff evaluate the PGOs on a quarterly basis to measure their performance against 19 indicators in the areas of: quality of programming, accountability and transparency, and improved budget practice.

ACCOMPLISHMENTS

- Improved resource-flows to meet governors' operational needs.
- Increased provincial financial self-sufficiency.
- Decreased lobbying of Provincial Reconstruction Teams (PRTs) and international donors for small expenditures.
- Increased responsiveness of governors to requests from the villages, districts, provincial councils, and civil society.
- Increased citizen interaction with governors as part of a new operating culture in which responding to citizen needs is considered a core government function.
- Increased capacity in programming and expenditure management.
- Increased support for the implementation of the new sub-national governance policy.
- Established a base-line performance level for governors.

The Asia Foundation

Performance Based Governors' Fund (PBGF)

Date:

Province:

Monitoring and Evaluation Matrix - PBGF Final Evaluation - Period: ***Aqrab - Qaos - Jadi - Dalw*** (Month 8, 9, 10 and 11 of FY 1389)

	Performance Area and Indicators	Score (0 - 5)		Observations, comments, justifications and remarks (Why is the score what it is? Please justify it here.)
	I. Quality of Programming:		**0**	
1	**Planning and budgeting capacity**	**0**		
	This is measured through variance analysis (comparison of budgeted expenditures versus actual expenditures). Please complete the worksheet 'Budget Changes'. How many times has the monthly budget been changed over the evaluation period? List (i) the dates, (ii) the reason (new/changed expenditures) and (iii) the amount involved (cf. budget variance analysis). If there was no budget, then the score should be 0 (this means there were no disbursements). If the amount involved is higher than 50% of the total budgeted amount for the evalution period, then the score should be 1 only. If the amount involved is between 25 and 50% of the total budgeted amount for the whole period, then the score should be 2 only (not satisfactory). If it is between 10 and 25%, then the score should be 3 (satisfactory). If it is less than 10%, then the score should be 4 or even 5 (score of 5 can be given if there were no changes in the budget at all).			List and explain the budget changes in the worksheet 'Budget Changes' and calculate the totals and other necessary numbers.
2	**Project Documentation**	**0**		
	Expenditures in (i) the community outreach, (ii) the capacity-building, and (iii) the repair/refurbishment spending category should only happen if there is a project file. For instance, any repair or refurbishment should be based on a brief Statement of Work (SOW) or Bill of Quantities (BOQ) which justifies the total cost estimate. Another example is the hiring of a short-term advisor under the capacity-building category: this should only be done when there are good and clear Terms of Reference (TOR) for the person who will be hired. Projects should also clearly state the estimated number of beneficiaries and describe the nature of the project, especially in the community outreach category. In short, PBGF provincial officers should provide the PBGF M&E and reporting unit with (i) a list of all the projects and (ii) the project file for each of these projects. Scoring will be as follows: if there is only a list of projects (this list should be taken from the financial report) but no (or almost no) project documentation, then the score should be 1 only. If about half of the projects are reasonable well documented, then the score should be 2. If most of the projects are reasonably well documented, then the score should be 3. If all projects are very well documented, then the score can be 4 or – exceptionally – 5. [Score of 0 should be given if there is no list and/or no documentation at all. This will only be the case if there is no spending in these three categories.]			List all projects in the worksheet 'Project List'
3	**Equilibrium between PBGF spending categories**	**0**		
	The projects mentioned above in the (i) community outreach, (ii) capacity-building, and (iii) repair/refurbishment spending category are supposed to benefit communities directly and, as such, their combined value is a good indication of the amount of spending which is directed at communities (as opposed to the sub-national government administration itself). It should be noted that, for this particular measurement, repair/refurbishment of PGO and DGO buildings (including provincial guesthouses) should be excluded from the total amount. Also, advisors hired under the capacity-building category who are working directly for or in the PGO should also be excluded when calculating this amount. Scoring will be as follows: If the total amount of such community-oriented projects is less than 10% of the total budgeted amount over the evaluation period, then the score should be 1 only (if there are *no* such projects, then the score should be 0); if the total amount of such projects is more than 10% but less than 25%, then the score should be 2. If it is between 25% and 50%, then the score should be 3. If it is higher, then a score of 4 or – very unlikely – a score of 5 can be given.			List the total amount of project *excluding* PGO/DGO-related projects here, and the percentage this amount represents in the total budget over the evaluation period.

	Performance Areas and Indicators	Score (0 - 5)		Observations, comments, justifications and remarks (Why is the score what it is? Please justify it here.)
4	**Consultation with the Provincial Council (PC)**	**0**		
	The inclusion (or not) of PC funding requests for operational expenditures should not have any impact on the evaluation: the PBGF fund is not a Provincial Council fund. However, Provincial Council members represent the population and, hence, they are one of the appropriate channels to make recommendations to the Governor on micro-projects which would benefit communities. Scores for this criterion should be given as follows. If there is no information sharing, and there is some evidence that Provincial Council members are frustrated because of the lack of communication from the side of the Governor on PBGF and other issues, then a score of 0 should be given. If PC members are generally happy about their relationship with the Governor but if they do not have information about PBGF spending, then a score of 1 should be given. If information on the PBGF program is being shared only *informally* with the Provincial Council (in meetings between the Governor and the PC Chair or individual PC members for instance), then a score of 2 can be given. If the PBGF budgets (and/or financial reports) are being shared with the Provincial Council – and formally so (this means they get a copy of the budget and the financial reports) – then a score of 3 can be given. If, on top of sharing budgets and financial reports (i.e. informing the Provincial Council formally about what happens with the PBGF program), the Provincial Council is in a position to submit its own proposals for funding and inclusion in the PBGF budget, then a score of 4 can be given. If they would submit a significant number of such projects, and if a number of such community-based projects would be included for funding, then – exceptionally – a score of 5 may be given.			Please list all projects which were submitted by the Provincial Council in the worksheet 'List of Submitted Projects', and then motivate and document your score here.
5	**Consultation with the Provincial Administrative Assembly**	**0**		
	The PAA is an important body is an important one as it should allow line ministry directors to express their needs and get some of them inserted into the PBGF budget. Although line ministries are supposed to have their own operational budget, it is obvious they are part of the 'executive' at the provincial level and, hence, the Governor should (also) use the PBGF fund to respond to their needs – just like he needs to respond to the needs for operational support expressed by District Governors (DGs). Scores here should be given as follows: 0 means line ministry directors are not even aware of the PBGF funding; 1 means they are aware of the fund but not of the way how the PBGF funds are being spent; a score of 2 means they are more or less aware of the way the PBGF fund is being used but they are not included in the budgeting and planning process; a score of 3 means the PBGF monthly budgets are submitted to the PAA; a score of 4 means both budgets and financial reports are *actively* being discussed in the PAA; a score of 5 would be given only if a score of 4 is justified *and* a representative sample of line ministry directors expresses *full* satisfaction as to the way the Governor is managing the fund			Provide proof for your score. Please list all projects which were submitted by Line Ministry Departments (LMPDs) and/or other PAA members in the worksheet 'List of Submitted Projects', and then motivate and document your score here.
6	**Consultation with District Governors and/or DDAs/ASOP shuras**	**0**		
	District Governors need both operational support and, at the same time, they are a useful channel for communicating district-level community needs. Best practice cases here include the set-up of a small District Governors Fund (DGO) within the larger PBGF fund based on cash advances which are cleared by DGs on a regular basis against documentation which shows expenditures respect the six pre-approved spending categories. Scoring here should be as follows: 0 if the Governor would have no or only few meetings with District Governors; 1 if the Governor interacts with a few DGs only; 2 if the Governors interacts with all DGs but on an ad hoc basis only; 3 if the Governor has a regular monthly meeting with all DGs (and considers their requests for support through PBGF funding); 4 if the Governor operates a *de facto* District Governors Fund as described above (fixed monthly cash advances which get cleared against the proper (and real) documentation); 5 if 4 functions perfectly well and there is no doubt as to the documentation which is provided by the DGs			List and document the Governor's meetings in the worksheet 'Governor's Meetings' and refer to this list to motivate your score. Be precise.
7	**Consultation/participation with/by communities**			

	Performance Area and Indicators	Score (0 - 5)		Observations, comments, justifications and remarks (Why is the score what it is? Please justify it here.)
	This is measured through two criteria: (i) the number of visits to villages in other districts than the capital district, and (ii) the level of community participation in the implementation of projects. As mentioned above, the list of proper projects should be established and, in this list, some of the projects will involve real community participation (e.g. the provision of materials only by PBGF, while the labor is provided or funded by the community itself). Scoring should combine these two criteria: Scoring should combine these two criteria: 0 if the Governor does not visit districts or only on rare occasions; 1 if the Governor visits remote districts only occasionally; 2 if the Governor effectuates less than five visits per month and there is no community participation in the implementation of projects whatsoever; 3 if the Governor effectuates more than five visits per month *or* there is significant community participation in the *implementation* of the project; 4 if the Governor visits more than five communities every month *and* there is significant participation of the community in the implementation of projects; 5 if a score of 4 is warranted and more than half of the projects involve significant participation of the community in the implementation of the project			List and document the Governor's visits to districts in the worksheet 'Governor's Visits'. Describe the kind of community participation in the worksheet 'Project List'. Motivate your score by referring to these lists. Be objective.
8	**Consultation with community leaders**	**0**		
	This is a category which includes meetings with stakeholders not mentioned above such as DDAs or ASOP shuras , religious leaders (mullahs) or other community leaders (such as prominent maliks and/or local commanders). A score of 0 should be given if the Governor does not have any *direct* contacts anymore with such community leaders; a score of 1 should be given if there is clear evidence the Governor meets with such community elders; a score of 2 should be given if the Governor can provide a list of meetings with such community elders (even if it is only one or two meetings a month); a score of 3 should be given if the list of such meetings exceeds one such meeting per week (so more than 4 or 5 such meetings per month); a score of 4 should be given if the list of such meeting exceeds 5 meetings per month; a score of 5 should be given in case of clear evidence of almost daily meetings with such leaders (i.e. more than 20 per month). The criterion here is *not* PBGF funding of such meetings (or the requests that result from such meetings): the measurement only concerns the interaction itself as measured by the number of meetings			List and document the Governor's meetings in the worksheet 'Governor's Meetings' and refer to this list to motivate your score. Be precise.
9	**Consultation/inclusion with/of civil society**	**0**		
	Civil society is very weak or even non-existent in some regions. However, if and when there is clear evidence of consultation/involvement with/of civil society organizations, then the Governor/PGO should be scored (very) positively. Civil society organizations are organizations such as youth organizations, women organizations, political organizations, etcetera. A score of 0 should be given here if the Governor/PGO is not even aware of the existence of such organizations; a score of 1 should be given if the Governor/PGO understands the concept of civil society (and, hence, is aware of their existence); a score of 2 should be given if the Governor has met with representatives of civil society (e.g. representatives of youth or women *organizations*) over the period of evaluation; a score of 3 should be given if at least one of such organization has benefited from funding from one of the sources of funding a Governor/PGO can avail of or which he facilitated; a score of 4 should be given if PBGF has funded civil society; and a score of 5 can be given if the situation looks perfect and the score can be motivated accordingly			List the civil society organizations in the worksheet 'Civil Society' and use the worksheet 'Governor's Meetings' to motivate your score.
10	**Inclusion of marginalized groups**	**0**		
	Women, youth, Kuchis (i.e. nomads) or any other culturally discriminated group are all considered to be 'marginalized groups'. Scores should be given as follows: 0 if there is no project benefitting any of these groups; 1 if there is only one of such projects (in any given month of the three-month evaluation period); 2 if there are at least two of such projects every month; 3 if there are three to five of such projects every month; 4 if there are 5 to 10 of such projects; 5 if there are more than 10 of such projects			Use the Project List to motivate your score.
11	**Contribution to ANDS cross-cutting themes (environment, counter-narcotics or anti-corruption)**	**0**		
	The ANDS cross-cutting themes are themes that are not linked to a particular development sector but cut across many sectors: environment, counter-narcotics and anti-corruption. the score on the criterion should not necessarily be linked to whether or not PBGF funds contributed to significant action on these fronts: the number of actions itself and their significance (regardless of the funding source) should serve as a basis of evaluation here. So scoring could be as follows: 0 if there is no identifiable action at all related to these themes (over the evaluation period); 1 if there is only one clearly identifiable action in any of these areas (over the evaluation period); 2 if there are two of such actions; 3 if there are three to five of such actions; 4 if there are 6 to 10 of such actions; 5 if there are more than 10 of such actions			Use the worksheet 'Action List' to motivate your score.

	Performance Areas and Indicators	Score (0 - 5)		Observations, comments, justifications and remarks (Why is the score what it is? Please justify it here.)
12	**Contribution to conflict mitigation/resolution or reconciliation**	**0**		
	For this criterion also, we take specific *actions* (e.g. the organization of a peace jirga) into account. The funding source here doesn't matter: the operational criterion is the number of *actions* (for example, genuine jirgas or peace processes which the Governor has led) over the evaluation period. A score of 0 should be given if there were none; a score of 1 should be given if the Governor is genuinely interested in this area but there is no supporting evidence (i.e. the Governor only *talks* about it); 2 if there were one or two significant actions in this area; 3 if there were more than two of such actions; 4 if there were more than 5 (over the evaluation period); 5 if the Governor managed to turn around the security situation in his province over the period under consideration			Use the worksheet 'Action List' to motivate your score. Please be specific and detailed.
13	**Contribution to Provincial Development Planning**	**0**		
	This criterion is also *not* (necessarily) related to the use of PBGF funds. The question is whether or not there is any evidence of serious development planning. Scores should be given as follows: 0 if there is no (updated) Provincial Development Plan (PDP); 1 if there is a PDP but the Governor does not use it as a planning tool; 2 if there is such plan but there is no active management of it; 3 if there is active *management* of the provincial development process; 4 if the PGO is actively planning forward and providing clear direction to NGOs and implementing partners; 5 if the situation in this regard is perfect (which is unlikely in regard of the lack of capacity here)			Please provide a detailed motivation of your score here. Use, for example, the meeting minutes of the Provincial Development Committee.
	II. Accountability and Transparancy:		**0**	
14	**Documentation of expenditures**	**0**		
	Are all of the required documents and vouchers present, in order, and – importantly – properly signed? A score of 0 should be given if the fund was suspended because of the lack of cooperation of the Governor and the PGO procurement committee; 1 if documentation is rudimentary only; 2 if documentation is there but there are serious remarks or concerns from the PBGF internal audit unit; 3 if the situation is satisfactorily; 4 if the situation is judged to be an example to other provinces by the PBGF internal audit unit; 5 if the situation is perfect (which is unlikely)			The internal audit unit should give the score here.
15	**Use of competitive procurement procedures**	**0**		
	This criterion should be judged through an objective evaluation of (i) the activity and honesty of the procurement committee, (ii) the sophistication of the evaluation process of quotations and bids, and (iii) price checks. A score of 0 should be given if there is no competitive procurement (usually the program will have been suspended in this case); a score of 1 should be given if there is minimal documentation but the PBGF internal audit team has expressed a clear concern; a score of 2 should be given if there is no clear evidence of abuse; a score of 3 should be given if documentation is correct and there are no specific concerns; a score of 4 should be given if the PBGF internal audit unit has no hesitation of quoting this particular PBGF procurement committee as an example for all the others; a score of 5 is exceptional and should only be given if all stakeholders are convinced this PGO is really free of corruption			The internal audit unit should give the score here.
16	**Respect for inventory rules**	**0**		
	0 if there is no respect for inventory management rules; 1 if there is some attempt at inventory management; 2 if actions are underway to address the problems; 3 if the situation is normal (use of M7 forms and communication of assets/inventory items to both the IDLG and the *Mustofiat*); 4 if the procedures are applied rigorously (also at the district-level); 5 if all assets and equipment are being registered as GIRoA property through the *Mustofiat* (and the IDLG) *and* there are or have been effective inventory controls			The internal audit unit should give the score here.
	III. Improved Budget Practice:		**0**	
17	**Integrated approach to budgeting**	**0**		

	Performance Area and Indicators	Score (0 - 5)		Observations, comments, justifications and remarks (Why is the score what it is? Please justify it here.)
	Operational expenditures are basically covered by two (or three) funding lines: PBGF funding and MoF funding. MoF funding comes in two ways: through the Ordinary Budget and through the so-called Supplemental Funding mechanism. Spending categories/budget lines overlap: fuel, hospitality costs (costs of meetings), travel etcetera can be funded out of either (PBGF versus MoF funding). Hence, it is important to make sure there is not overlap or duplicate funding. Scoring should be as follows: 0 if the program is not functional because of corruption issues; 1 if the risk for overlap/duplicate funding is actively being minimized (e.g. attempt to introduce logbooks for fuel consumption), 2 if there are mechanisms like logbooks for fuel consumption but there is no certainty such mechanisms are really effective and functional; 3 if there is a reason to trust there is no abuse because there are mechanisms in place (like logbooks) to make sure there is no duplication and the PBGF provincial officer has access to all documents related to the use of MoF funds; 4 if the situation can serve as an example for others; 5 if the Governor/PGO is really perfect and ready to serve as a Pilot PGO for publishing the MoF budgets and financial reports on the website also.			Please give a detailed motivation of your score here.
18	**Measures to combat corruption**	**0**		
	Although this criterion has been covered – to some extent – under the above-mentioned criterion of 'contribution to ANDS cross-cutting themes', it is worthwhile to include it explicitly as a criterion under this particular performance area. A score of 0 should be given if there is no action whatsoever and the Governor is generally perceived as being corrupt (in this case, the PBGF program is likely to have been suspended); a score of 1 should be given if the Governor is seen as tolerating corruption in his office; a score of 2 should be given if the Governor is taking some token measures only; a score of 3 should be given if the Governor is genuinely trying to be seen as a good manager and, hence, takes something more than token measures only; a score of 4 should be given if the actions taken involve *legal* action, such as prosecution by the office of the Attorney-General; a score of 5 is a perfect score and it is unlikely to be possible to be given because PBGF provincial officers cannot have a complete picture of the situation			Please give a detailed motivation of your score here.
19	**Decreased PGO lobbying with the PRT/donor representatives for small expenditures**			
	A score of 0 should be given if the PBGF program seems to have had no impact whatsoever in this regard (according to the PRT/donor representative); 1 if there is marginal difference only; 2 if there is substantial difference but the Governor/PGO continues to request the PRT or donor representative to fund expenditures which should be funded out of the PBGF program; 3 if the situation is judged to be satisfactorily by the PRT/donor representative; 4 if there is almost no such lobbying anymore; 5 if it has completely vanished			The score should be given by the PRT and/or donor representative in the province. Please contact him and ask him to provide a score in line with the scoring guidelines. Please provide proof of your discussion with the PRT and/or donor representative to the M&E unit.
20	**Improvement of PGO budgeting and planning capacity**	**0**		
	This overlaps with some of the above-mentioned criteria but it is probably good to separate it out. It should measure the degree of satisfaction of PGO tashkeel staff with the way the introduction of the PBGF fund has improved the capacity of the PGO to cope with operational challenges. The scoring on this mechanism should be given by PGO officials only (not by the Governor). A score of 0 should be given if PGO officials (e.g. the executive director, the admin/finance director and the sectoral director) feel PBGF is a useless program or has brought negative change; a score of 1 should be given if the program has *not* brought negative change (so it is sort of neutral); a score of 2 should be given if the change is positive but not judged to be significant (i.e. 'game-changing'); a score of 3 should be given if PGO officials feel the introduction of the PBGF program has made a positive *and significant* change in the budgeting and planning process (e.g. the introduction of *effective* planning for operational expenditures such as fuel, ICT costs, transportation costs, hospitality costs etcetera); a score of 4 should be given if there is full transparency on this; a score of 5 means the PGO feels it is a national champion when it comes to budgeting and planning and – importantly – in budget implementation also. This score is obviously linked to an integrated approach to budgeting (see the first criterion under this performance area)			Please provide some description from your discussions with PGO officials. If possible, please ask them to write some recommendations and/or comments.
	Total:		**0**	

Abbreviations:

FPO = Field Program Officer (USAID Rep)

PO = Provincial Officer (PBGF)

RM = Regional Manager (PBGF)

PGO = Provincial Governor's Office

PC = Provincial Council

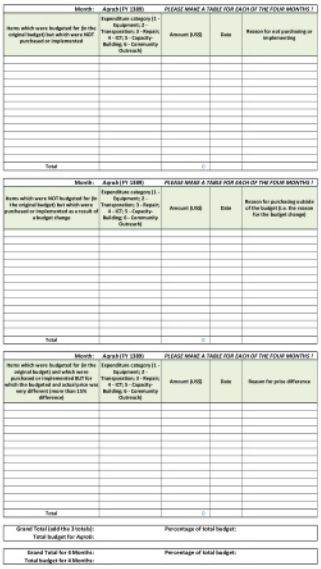
PAA = Provincial Administrative Assembly

Performance Area and Indicators	Score (0 - 5)		Observations, comments, justifications and remarks (Why is the score what it is? Please justify it here.)
GRANT-00159-16			

DGO = District Governor's Office

PRT = Provincial Reconstruction Team

IDLG = Independent Directorate of Local Governance



Month:	Agrab (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were budgeted for (in the original budget) but which were NOT purchased or implemented	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for not purchasing or implementing
Total		0		

Month:	Agrab (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were NOT budgeted for (in the original budget) but which were purchased or implemented as a result of a budget change	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for purchasing outside of the budget (i.e. the reason for the budget change)
Total		0		

Month:	Agrab (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were budgeted for (in the original budget) and which were purchased or implemented BUT for which the budgeted and actual price was very different (more than 10% difference)	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for price difference
Total		0		

Grand Total (add the 3 totals):	Percentage of total budget:
Total budget for Agrab:	

Grand Total for 4 Months:	Percentage of total budget:
Total budget for 4 Months:	

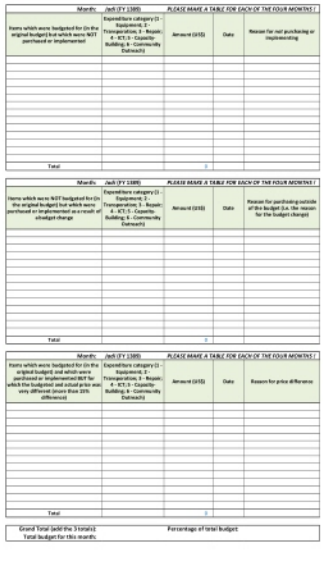


Month:	Qeso (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were budgeted for (in the original budget) but which were NOT purchased or implemented	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for not purchasing or implementing
Total		0		

Month:	Qeso (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were NOT budgeted for (in the original budget) but which were purchased or implemented as a result of a budget change	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for purchasing outside of the budget (i.e. the reason for the budget change)
Total		0		

Month:	Qeso (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were budgeted for (in the original budget) and which were purchased or implemented BUT for which the budgeted and actual price was very different (more than 10% difference)	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for price difference
Total		0		

Grand Total (add the 3 totals):	Percentage of total budget:
Total budget for Qeso:	

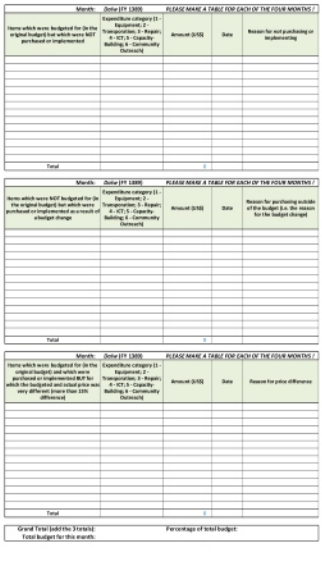


Month:	Jadi (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were budgeted for (in the original budget) but which were NOT purchased or implemented	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for not purchasing or implementing
Total		0		

Month:	Jadi (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were NOT budgeted for (in the original budget) but which were purchased or implemented as a result of a budget change	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for purchasing outside of the budget (i.e. the reason for the budget change)
Total		0		

Month:	Jadi (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were budgeted for (in the original budget) and which were purchased or implemented BUT for which the budgeted and actual price was very different (more than 10% difference)	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for price difference
Total		0		

Grand Total (add the 3 totals):	Percentage of total budget:
Total budget for this month:	



Month:	Zeba (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were budgeted for (in the original budget) but which were NOT purchased or implemented	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for not purchasing or implementing
Total		0		

Month:	Zeba (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were NOT budgeted for (in the original budget) but which were purchased or implemented as a result of a budget change	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for purchasing outside of the budget (i.e. the reason for the budget change)
Total		0		

Month:	Zeba (FY 1389)		PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !	
Items which were budgeted for (in the original budget) and which were purchased or implemented BUT for which the budgeted and actual price was very different (more than 10% difference)	Expenditure category (1 - Equipment; 2 - Transportation; 3 - Repair; 4 - ICT; 5 - Capacity-Building; 6 - Community Outreach)	Amount (US$)	Date	Reason for price difference
Total		0		

Grand Total (add the 3 totals):	Percentage of total budget:
Total budget for this month:	

1. List of Community Outreach projects over the evaluation period

Description of Activity/Project	Location	Budget (US$)	Date	Project File? (yes if present/blank if not present)	Community participation? (yes if present/blank if not present)	Does the project benefits marginalized groups?	Number of Beneficiaries *(Numbers only)*	Remarks + description of community participation (if present) and benefits to marginalized groups
Total		0					0	0

2. List of Repair and Refurbishment projects over the evaluation period

Description of Activity/Project	Location	Budget (US$)	Date	Project File? (yes if present/blank if not present)	Community participation? (yes if present/blank if not present)	Does the project benefits marginalized groups?	Number of Beneficiaries *(Numbers only)*	Remarks + description of community participation (if present) and benefits to marginalized groups
Total		0					0	0

3. List of Capacity-Building projects over the evaluation period

Description of Activity/Project	Location	Budget (US$)	Date	Project File? (yes if present/blank if not present)	Community participation? (yes if present/blank if not present)	Does the project benefits marginalized groups?	Number of Beneficiaries *(Numbers only)*	Remarks + description of community participation (if present) and benefits to marginalized groups

Total		0					0	0

Month: *Aqrab* (FY 1389) *PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !*			
Meeting purpose and target group	**Date**	**Time**	**Topic of the meeting and meeting results**

Month: *Qaos* (FY 1389) *PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !*			
Meeting purpose and target group	**Date**	**Time**	**Topic of the meeting and meeting results**

Month: *Jadi* (FY 1389) *PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !*			
Meeting purpose and target group	**Date**	**Time**	**Topic of the meeting and meeting results**

Month: *Dalw* (FY 1389) *PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !*			
Meeting purpose and target group	**Date**	**Time**	**Topic of the meeting and meeting results**

Month: *Aqrab* (FY 1389) *PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !*			
Location of Visit	**Date**	**Time**	**Description of Visit**

Month: *Qaos* (FY 1389) *PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !*			
Location of Visit	**Date**	**Time**	**Description of Visit**

Month: *Jadi* (FY 1389) *PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !*			
Location of Visit	**Date**	**Time**	**Description of Visit**

Month: *Dalw* (FY 1389) *PLEASE MAKE A TABLE FOR EACH OF THE FOUR MONTHS !*			
Location of Visit	**Date**	**Time**	**Description of Visit**

Name of Civil Society Organization	Description of Objectives

Month: *Aqrab* (FY 1389)			
Type of Action (e.g. jirga)	Date	Theme (environment, counter-narcotics, conflict resolution/mitigation, reconciliation, anti-corruption, or other (please describe)	Description of the Action and Results

Month: *Qaos* (FY 1389)			
Meeting purpose and target group	Date	Theme (environment, counter-narcotics, conflict resolution/mitigation, reconciliation, anti-corruption, or other (please describe)	Description of the Action and Results

Month: *Jadi* (FY 1389)			
Meeting purpose and target group	Date	Theme (environment, counter-narcotics, conflict resolution/mitigation, reconciliation, anti-corruption, or other (please describe)	Description of the Action and Results

Month: *Dalw* (FY 1389)			
Meeting purpose and target group	Date	Theme (environment, counter-narcotics, conflict resolution/mitigation, reconciliation, anti-corruption, or other (please describe)	Description of the Action and Results

1. List of Community Outreach projects over the evaluation period *submitted by PBGF stakeholders (other than the Governor and the PGO)*

Description of Activity/Project	Location	Budget (US$)	Submitted by whom? (PC, PAA/LMPD, DG/DDA/other)	Accepted by the Governor? (Yes/No)	Date	Project File? (yes if present/blank if not present)	Community participation? (yes if present/blank if not present)	Does the project benefits marginalized groups?	Number of Beneficiaries *(Numbers only)*	Remarks + description of community participation (if present) and benefits to marginalized groups
Total		0							0	0

2. List of Repair and Refurbishment projects over the evaluation period *submitted by PBGF stakeholders (other than the Governor and the PGO)*

Description of Activity/Project	Location	Budget (US$)	Submitted by whom? (PC, PAA/LMPD, DG/DDA/other)	Accepted by the Governor? (Yes/No)	Date	Project File? (yes if present/blank if not present)	Community participation? (yes if present/blank if not present)	Does the project benefits marginalized groups?	Number of Beneficiaries *(Numbers only)*	Remarks + description of community participation (if present) and benefits to marginalized groups
Total		0							0	0

3. List of Capacity-Building projects over the evaluation period *submitted by PBGF stakeholders (other than the Governor and the PGO)*

Description of Activity/Project	Location	Budget (US$)	Submitted by whom? (PC, PAA/LMPD, DG/DDA/other)	Accepted by the Governor? (Yes/No)	Date	Project File? (yes if present/blank if not present)	Community participation? (yes if present/blank if not present)	Does the project benefits marginalized groups?	Number of Beneficiaries *(Numbers only)*	Remarks + description of community participation (if present) and benefits to marginalized groups
Total		0							0	0

Training Log *(Please list any training provided and/or supported by PBGF fund over the evaluation period)*

Training Log										
No	Topic (Training name)	TAF - PBGF Role	Start Date	End Date	Venue	Conducted by	Participants	Participants		Total USG-Supported
								Male	Female	
										0
										0
										0

Performance Based Governors Fund

Monitoring and Evaluation Report

First Quarter of PBGF disbursements 21 March 2010 – 21 June 2010



Submission Date: **10 August 2010**

The Asia Foundation

USAID/Afghanistan CA
No. 306-A-00-09-00531-00

Terms of Reference

USAID/Afghanistan Cooperative Agreement section A.5, par 2 (Program Reporting): "The performance reports are required to be submitted quarterly and shall be in keeping with the program description."

The first quarterly report covered November-December 2009 and was submitted on 24 February 2010, together with the financial report. It essentially documented progress on assembling the program team and on discussions with donors (USAID, DFID, Belgium and CIDA at the time). The second quarterly report covered January-March 2010 and was submitted on 4 May 2010. It was a report on the program start-up (PBGF disbursements commenced on the 21st of March 2010, i.e. the start of the Afghan financial year).

This report serves both as the third quarter report as well as the M&E report on the first quarter of actual PBGF disbursements to Governors/Provincial Governor's Offices, which coincides with the first quarter of the Afghan Financial Year (21 March 2010 – 21 June 2010). It is a narrative report only: the quarterly financial reports have been submitted separately to donors, based on the common cost-sharing template. It should also be noted that the report is not quite complete: because of time constraints, PMP data for USAID on Strategic Objectives (SOs), Program Objectives (POs) and Intermediate Result (IR) indicators will be assembled in the coming weeks and will be provided in a separate report end of August.

Quarterly reports are discussed by the PBGF Steering Committee, which consists of the IDLG, donor representatives and The Asia Foundation. This report will be discussed at the PBGF Steering Committee meeting of 15 August 2010.

Cover and lay-out of this document are in accordance with the Branding/Marking Plan submitted to USAID. This report has been shared with the other PBGF donors (DFID and Belgium), as well as with the Independent Directorate for Local Governance (IDLG), which is The Asia Foundation's government counterpart on the program.

TAF does not share this report with third parties or other external stakeholders. Of course, donors (and the IDLG) are free to circulate and publish this report as per their rules and regulations.

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III. Conclusions and Recommendations p. 21

List of Annexes

Annexes have been provided as MS Excel spreadsheets, in order to allow the IDLG and donors to further analyze financial and other data. These Annexes include:

1. **M&E data for all provinces**

2. **The 34 M&E matrices (one for each province)**

3. **PBGF expenditure data (three spreadsheets)**

    3.1.1. Financial data for all expenditure categories
    3.1.2. Analysis of the financial data for the vehicles and equipment category
    3.1.3. Distribution of expenditures: provincial versus district level

4. **The M&E travel/activity plan**

List of Acronyms

ACSS	Afghanistan Civil Service Support Program (USAID-funded)
ALGFDP	Afghanistan Local Government Facilities Development Program (formerly ASP)
ARTF	Afghanistan Reconstruction Trust Fund (trust fund for the GoA, both for development programs as well as for operating costs; managed by the World Bank, the ADB, the IDB, and the UN)
ASGP	Afghanistan Sub-National Governance Program (UNDP)
ASOP	Afghanistan Social Outreach Program (managed by AECOM)
ASP	Afghanistan Stabilization Program (renamed ALGFDP)
CA	Cooperative Agreement (USAID funding instrument)
CDC	Community Development Council (established under NSP)
COP	Chief of Party
DCOP	Deputy Chief of Party
DDA	District Development Assembly (established under NABDP)
DDP	District Delivery Plan (IDLG)
GIRoA/GoA	Government of the Islamic Republic of Afghanistan/Government of Afghanistan
GPIP	Governors' Performance Improvement Program (umbrella program for DFID comprising: (i) PBGF, (ii) HTBSF and (iii) the provincial advisors program)
HTBSF	Helmand Transitional Budget Support Fund (US$ 37,500/month budget support program for the Helmand Governor; additional to PBGF, Helmand only – funded by DFID)
ICT	Information and Communication Technology
IDLG	Independent Directorate for Local Governance
ISAF	International Security Assistance Force
LGCD	Local Governance and Community Development program (USAID-funded)
M&E	Monitoring and Evaluation
NABDP	National Area-Based Development Program (UNDP-MRRD program)
NSP	National Solidarity Program (UNDP-MRRD program)
PAA	Provincial Administrative Assembly (administrative body consisting of all of provincial authorities, chaired by the Governor)
PBGF	Performance Based Governors' Fund (US$ 25,000/month/province budget support program for PGOs)
PC	Provincial Council (elected body)
PDC	Provincial Development Committee (provincial development coordination mechanism consisting of all provincial authorities and chaired by the Governor)
PGO	Provincial Governor's Office
PO/LMPD	Provincial Office (Line Ministry)/Line Ministry Provincial Department
PRT	Provincial Reconstruction Team (civilian-military)
RFA/RFP	Request for Application/Request for Proposal
SCU	Strategic Coordination Unit (IDLG policy unit)
SNG	Sub-National Governance
TAF	The Asia Foundation
TORs	Terms of Reference
UNDP	United Nations Development Program

MANAGEMENT SUMMARY

In line with the requirement to write a report in keeping with the program description (i.e. attachment B of the Cooperative Agreement), this management summary follows the task structure as mentioned in the RFA/CA:

Task 1: Selection of Provinces and Securing Funds
Task 2: Briefing/Training of Governors and Provincial Governor's Office (PGO) staff
Task 3: Distribution of Funds
Task 4: Tracking, Reconciliation and Evaluation of Expenditures
Task 5: Training and Capacity Building

Recommendations have been highlighted.

Task 1: Selection of Provinces and Securing Funds

The selection of provinces was completed during the start-up phase of the program (November 2009 – March 2010). All 34 provinces of Afghanistan were included for funding, which makes the PBGF program a truly national program. The PBGF program is now a priority program for the IDLG, as it contributes directly to the IDLG's operational objectives – first and foremost the important objective of spending donor money directly through the Afghan governmental authorities themselves. To that end, the PBGF program is the first donor-funded sub-national budget support program in Afghanistan to be implemented.

The IDLG's follow-up report to the Kabul Conference (*Sub-National Governance Policy: The Way Forward*) provides a roadmap for sub-national governance programming over the next three years (2010-2014), including an updated budget, and the PBGF program is mentioned there as one of the ten components of the new National Program for Local Governance[1]. It is also budgeted for over the next three years, even if donor funding has currently only been secured for one year[2].

Task 1 also included **securing funds.** Based on the *real* expenditures of the program so far (until end of June 2010), TAF does not expect any shortfall for the current Pilot Phase (one

[1] The PBGF program is part of the third sub-component, "Democratic Representation and Civic Education", together with the ASOP program. The first and second sub-component are "Sub-National Policy" and "Institutional Development".

[2] USAID and Belgian funding has been secured for one year (at the time of reporting), but DFID committed to fund the PBGF program for three years as part of its GPIP program (Governors Performance Improvement Program). It should be noted that – in light of the *real* expenditure data on the program – the mentioned budget over three years (57.9 million USD) is an over-estimation. Programs costs (including PBGF disbursements) for a full year of funding are 16 to 16.5 million USD. Hence, the costs of a three-year PBGF (as opposed to a one-year program) would not exceed 50 million USD.

year), and so the contributions from USAID, DFID and Belgium will probably be sufficient to cover one full year of PBGF disbursements to Governors/Provincial Governor's Offices[3].

However, an extension of the agreements with USAID and Belgium, until at least end of March 2011, is needed because these agreements did not take into account the fact that the start-up of this pilot program would take three to four months[4]. In fact, PBGF disbursements were timed to coincide with the Afghan financial year (21 March 2010 – 20 March 2011) and so the program will need to be extended until – at least – end of March 2011. In light of the above-mentioned facts (the wish to continue this program over the next three years as expressed by the IDLG), USAID may actually consider an extension beyond 20 March 2011. This possibility of a longer-term extension should be discussed with donors over the coming months[5].

With respect to the funding arrangement, it should be noted that it has been restructured as a proper cost-sharing arrangement[6]. This arrangement will facilitate the longer-term financial structuring of this program if and when it is extended by donors[7]. Despite the different start date of the DFID agreement (1 February 2010), financial and narrative reporting has been synchronized with all donors[8].

Task 2: Briefing/Training of Governors and PGO staf

Briefing/Training of Governors and Provincial Governor's Office (PGO) staff started immediately after the official launch of the program by the Government of Afghanistan and donors in the Government Media and Information Center (GMIC), on 20 January 2010, and was completed by mid-March in all provinces, so PBGF disbursements could start simultaneously in all 34 provinces on 21 March 2010, which is the start of the Afghan

[3] This statement will be confirmed by TAF – or not (but this is unlikely) – after reviewing the expenditures on the program for July and August 2010.

[4] As it turned out, the start-up period actually ended in March 2010 only (so five months after the signature of the agreement with USAID). The decision to let PBGF disbursements coincide with the Afghan Financial Year (i.e. from 21 March onwards) was a joint decision (IDLG-donors-TAF) taken in the Steering Committee meeting of 14 February 2010.

[5] In accordance with the agreement, TAF will request a no-cost extension of the agreement with Belgium through an exchange of letters.

[6] Initially, USAID would fund 24 provinces, DFID four, CIDA five, and Belgium one province. Now, all donors simply take a share (%) in all PBGF costs based on their overall PBGF commitment (USAID: 83.9% , DFID: 11.6%, Belgium: 4.5%), even if provinces are still earmarked for (narrative) reporting purposes (Belgium: Bamyan, DFID: Helmand, Panjsher, Khost and Herat). This cost-sharing arrangement will also allow potential new donors to step into the program more easily, because financial negotiations would be based on the donors' decision about what percentage of the common costs the donors would want to cover, and a date from which they would start paying for these costs (which could coincide with the start of a new financial quarter), instead of a decision about the number of provinces and geographical preferences.

[7] It should be noted that the World Bank has shown interest in the program, as they requested to be present as a observer at the PBGF Steering Committee meeting on 15 August 2010.

[8] Narrative reporting was synchronized from the start. As for financial reporting, this was synchronized from 1 July onwards (DFID received a financial report covering May-June 2010 only, instead of three months).

financial year (1389[9]). This task has been completed, as documented in the previous quarterly report.

Task 3: Distribution of Funds

Under Task 3, TAF committed to "develop and implement a simple interim system to enable Governors to access funds quickly, while also accounting for expenditures in a simple and transparent manner." (USAID-TAF CA, p. 15) Key subtasks included the development of a Handbook, the preparation of a budget with the PGOs, as well as "detailed" financial and procurement procedures and "comprehensive" training materials to explain these rules and procedures to the Governor and provincial staff.

The previous quarterly report details how TAF has delivered on all of these tasks. Budgets and expenditure reports – as well as other information – can be accessed through the website and PBGF document management system (www.pbgf.gov.af)[10].

Task 4: Tracking, Reconciliation and Evaluation of Expenditures

The PBGF team has established a monthly financial reporting cycle, under which the PGOs (with the help of the TAF provincial finance officer) have to submit the accounts of the previous month, as well as the detailed budget for the next financial month, two weeks after the start of each financial month. As mentioned above, the financial reports – which track and reconcile expenditures – are posted on the PBGF website[11].

This report basically covers the *evaluation* of the expenditures, as per the PMP which was submitted to USAID, and as fine-tuned by TAF and the USAID AOTR in mutual agreement[12].

This evaluation covers three months of effective PBGF disbursements (21 March 2010 – 21 June 2010). The results of this evaluation are detailed in the following sections of this report. It should be noted that this first evaluation will allow Governors and their Office to correct their course, if needed, before the mid-term assessment of the program, based on which donors will have to decide whether or not to continue the program and, if so, how well-performing provinces will be rewarded – and, the corollary, how poorly performing provinces should be sanctioned.

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[9] The Afghan financial year coincides with the Afghan Solar Year calendar, which starts on 21 March (the Afghan New Year or *Naoroz*), and ends on 20 March. The next financial year 2010-2011 is the year 1389 according to this Islamic calendar. This synchronization will also ease future integration of the PBGF program into the Government of Afghanistan (GIRoA) system.

[10] TAF provided donors and the IDLG usernames and passwords on 22 March 2010, through a confidential e-mail. TAF manages usernames and passwords as organizational usernames and passwords: it is up to the donor (and IDLG) to decide how to share their username and password within their organization.

[11] Financial expenditure reports are published on the website about one month after the expenditures took place.

[12] In the run-up to the evaluation, TAF coordinated both with USAID and DFID (which has a separate logframe) to fine-tune the M&E matrix and detail the performance criteria.

In this regard, TAF would like to request donors to allow for more time between this evaluation and the next evaluation (i.e. the mid-term evaluation). This report has been submitted one and a half month into the second quarter of the Afghan financial year and, hence, Governors/PGOs have little time left (one and a half month only) to incorporate feedback and improve performance. Therefore, **it would seem wise to postpone the mid-term evaluation to cover eight or even nine months of effective PBGF disbursements (21 March 2010 – 21 December 2010).**

This will not impact the quarterly reporting on the program: TAF will provide the IDLG and donors with detailed expenditure data for the current quarter (22 June – 22 September 2010, i.e. the months of *Saratan, Asad* and *Sumbula*) in its next quarterly report (October 2010). TAF is only suggesting including another quarter of PBGF expenditures (the third quarter of the current Afghan financial year, which starts on 23 September and ends on 21 December) for M&E purposes. Hence, it is suggested to organize the mid-term evaluation (or second evaluation) in January 2011.

TAF is aware of the lag between the evaluation results (mid-August) and the expenditure period (which ended on 21 June). However, this is due to the monthly reporting cycle: the PBGF system includes a website but it's not a real-time financial management system. In addition, TAF insisted all provinces were physically visited (which could be done, except for three). It seems to be hard to compress such evaluation exercises in time.

Task 5: Training and Capacity Building

Training and Capacity Building is and will be an on-going task throughout the program. As of this date, training and capacity-building has focused chiefly on the Provincial Governor's Offices, and less – if at all – on IDLG capacity-building.

During roll-out from mid-January to mid-March, the PBGF team provided an introduction to the PBGF program objectives and training on PBGF financial and procurement procedures to 792 provincial Governor's Office staff all over the country. Training and capacity-building continues through the TAF provincial officers in each province, including those in the most remote and turbulent regions. These officers are embedded in the Governor's Office, and they take care of their own accommodation, transport and – to some extent – security, in line with the donors' instruction to keep the organizational structure light and, hence, not to establish any real TAF offices in the provinces.

In light of the objective to transfer knowledge and skills to the IDLG *tashkeel* staff at the Center also, the IDLG and TAF will need to work out an appropriate strategy. The PBGF COP has made a number of suggestions in this regard[13]. However, it should be acknowledged that, in this area, only limited progress has been made so far.

[13] E-mail from the PBGF COP to Mr. Barna Karimi and the IDLG SCU, with cc to donors, dated 23 April 2010.

TAF is waiting for the official organogram of the IDLG to be published, so it can start identifying and engaging the relevant IDLG staff as interlocutors for the PBGF regional teams and officers. Capacity-building with the relevant IDLG staff should be based on learning-by-doing. It cannot happen through one-point contacts.

In addition, TAF feels the Ministry of Finance needs to be engaged in this effort, not only because they are very much involved in sub-national finance planning but, more importantly, in public sector finance reform. Making the PBGF program work in a public sector context (as opposed to the corporate model which TAF has been using to implement PBGF) should also involve a deep reflection on the internal audit and other financial procedures which are currently being used to disburse Ministry of Finance funds to Governors/PGOs through the IDLG.

I – The First Quarter Performance Evaluation

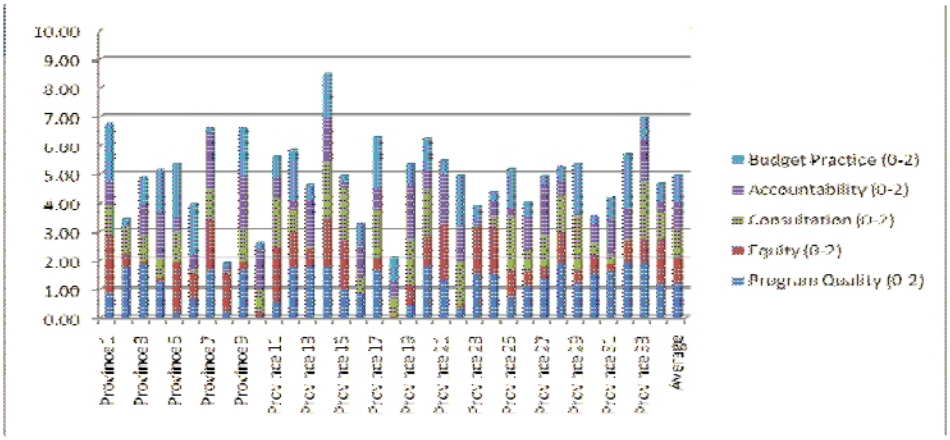
M&E Methodology

The Governors and their Office (PGO) manage the budget under tight monitoring and evaluation implemented through a quantitative scoring mechanism consisting of 30 indicators. The indicators are grouped in five areas:

(i) The quality of [PBGF] programming;
(ii) The equity of benefit sharing [of PBGF funds];
(iii) Consultation and communication [on the PBGF program];
(iv) Accountability and transparency [on PBGF expenditures];
(v) Improved budget practice [in general, not only related to PBGF].

The fifth performance area is – obviously – the one that is the most interesting but also the one that is the most difficult to evaluate (and the most difficult indicator for demonstrating results).

The scores in each performance area add up to a score between 0 and 2. This score can be interpreted linearly, so a score of 1 or more is satisfactory. A score below is not. To be even more explicit on this: *a score below 1 means that the PBGF team is of the opinion that the Governor or PGO is not up to the mark in this particular performance area.* It is obvious that a score below 1 in the accountability and transparency area is particularly worrying and, therefore, requires follow-up. The scores in each of the five performance areas add up to a total score between 0 and 10.



The scoring mechanism is illustrated in the graph above and the methodology has been described in detail in the PMP which was submitted to USAID[14].

[14] The Performance Monitoring Plan (PMP) was submitted to USAID on 14 December 2009. In line with the substantial involvement clause in the CA, the AOTR has been consulted extensively on this. The new USAID AOTR and the PBGF M&E and reporting unit have put the final touches to the PMP. In addition, the PBGF team

Simply adding up the score for each of the performance areas means they have a 'weight' of 20% in the total score. Of course, one can change the weights (and the weights of individual scores on criteria and sub-criteria) in order to test how robust the resulting *ranking* of provinces really is. This has been done and, because many of the criteria are correlated, the resulting ranking is actually fairly robust[15].

In any case, one should keep in mind that, because the M&E mechanism – in essence – needs to distinguish between "bad", "average" and "good" performing provinces only, the *detailed* ranking which results from the scores is not all that important: it makes little sense, for example, to argue why a province has been ranked 16th only, instead of 14th or 18th. It *does* make sense, however, to wonder why a province received scores which are *significantly* (i.e. more than one, or even two, standard deviations from the average) lower or higher than the score of other provinces.

M&E Activities

The PBGF team has 6 regional teams, each covering between 4 to 6 provinces[16]. In order to ensure independent evaluation and – to some extent – in order to evaluate the work of the regional teams themselves, each regional team was assigned *different* provinces for M&E than the ones they are managing.

All provinces – except three which could not be visited for logistic or other reasons – were visited by these M&E teams from 28 June until 1 August (the actual travel schedule is annexed). The provinces which could not be visited for logistic reasons[17] were Nimroz and Daykundi. The M&E exercise for Badakhshan was conducted by the PBGF COP in light of the fact that the program there had been suspended *de facto*[18].

The M&E teams gave a score on each of the 30 indicators by answering or sub-scoring 2 to 5 questions, or sub-criteria, for each of the 30 indicators. Each of these sub-scores – and total scores on the indicators – is weighed and adds up to a total score (between 0 and 2) for each of the five performance areas. As the CA does not stress any one of the five

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engaged in a dialogue with DFID in order to adapt the USAID logframe and PMP to their standards (DFID logframe). The DFID logframe has been finalized but needs approval of the DFID Results Team.

[15] A weight of 20% for each performance areas seems logical though, as the RFA/CA seems to look at all performance areas as equally important.

[16] One regional team actually covers 8 provinces. This team has been strengthened with an additional regional finance officer and a deputy regional manager.

[17] TAF travels with all commercial flights and also has access to UNAMA and PACTEC flights. In addition, as a USAID implementing partner, it benefits from USAID flights (US Embassy Air), for which TAF is very grateful. However, despite this large array of air flight providers, flights to Nimroz and Daykundi were cancelled two or three times in a row (mainly because of weather conditions). Therefore, the M&E was done through telephone interviews and group sessions in the PBGF office in Kabul, using all financial documents and project files.

[18] The relationship between the Governor and the TAF provincial officer had become dysfunctional, and the Governor requested TAF to replace the officer. TAF is currently recruiting a new provincial officer to re-start the program in Badakhshan. A mission to re-start the program is planned for end of August/beginning of September.

performance areas more or less than the others, each of the five performance areas has a weight of 20% in the total score, and this weight was distributed equally over the six criteria in each of the performance areas[19]. Hence, the scores on each of the five performance areas have simply been added up to give a total score – for each and every province – between 0 and 10. All in all, the M&E questionnaire involves generating and justifying about 80 sub-scores for each province. The scoring is based on:

1. Analysis of financial data and program documentation (first and foremost financial documentation);
2. Intense communication between the M&E team and the provincial officer and the regional team in charge of this province;
3. Interviews with the Governor and PGO officials:
4. Interviews with Afghan stakeholders, first and foremost Provincial Council members, Provincial Directors of Line Ministries (PAA members), District Governors, DDA members, community representatives etcetera:
5. Interviews with international stakeholders (UNAMA, international NGOs, donor/PRT representatives etcetera).

The 34 detailed M&E matrices with the scores and comments/observations are an annex to this report and illustrate the above. Hence, no further elaboration of the mechanism is needed here.

The scoring itself has been kept very simple and intuitive. For each of the questions, a score between 0 and 5 had to be given, with interpretation as follows:

0 = not applicable/not relevant/exceptionally bad
1 = very bad/very little (needs urgent attention from the regional team/PGO)
2 = bad/somewhat (needs attention/follow-up)
3 = satisfactory/average/OK (i.e. not worse or better than other provinces)
4 = significantly above average (i.e. (quite) good)
5 = exceptionally good/perfect

The zero score was only applied in very exceptional cases (e.g. for Sar-e Pul and Badakhshan[20]), and for questions which involved donor or PRT responses, because it was

[19] Hence, each criterion gets a weight of 3.33% (1/6 of 20%). It should be noted that the weight of questions involving PRT/donor input has been set to zero (and the weight of other questions was increased accordingly). This was done because of the lack of comprehensive feedback: not all donor/PRT representatives could be met, and TAF would now prefer a more systematic approach of the issue through donor offices in Kabul. In this regard, it has sent a questionnaire to the DFID and USAID agreement officer. USAID has distributed this to all USAID FPOs and the requested feedback – on paper – is currently coming in. The PBGF M&E team will examine this feedback in the coming weeks.

[20] The M&E matrix for Sar-e Pul basically collapsed because almost all of the budget went to the purchase of an official vehicle for the Governor. Therefore, criteria such as 'equilibrium between spending categories' or 'consultation' were irrelevant. The score should, in no way, be read as a judgment of the Governor or the PGO in this case. As for the issues with Badakhshan, these were discussed with the IDLG and the donor following up on this province (USAID).

decided – in the end – that such responses would be gathered in a more structured and comprehensive way through the donor offices in Kabul[21]. Managers were also instructed to give above or below average scores only when these could be properly justified. Otherwise a score of three (or 5 into 10 when more than one sub-criteria was involved) was to be given. Therefore, a score of three basically means the Governor/PGO is OK for this criterion, but it does not mean anything more than that (so it should not be looked at as an above average performance).

All these scores and comments – more than 2,700 all in all (34 provinces multiplied by 80 subscores) – were carefully reviewed by the PBGF senior management team, and re-calibrated in order to compensate for anomalies[22]. This led to the scoring as presented below.

The methodology (and, hence, the scoring) can obviously be criticized, as invariably, some subjectivity is involved: many questions involve some kind of judgment in the end (although the above-mentioned calibration should address this issue to some extent). In fact, the regional managers have been asked to discuss the final M&E matrix with the Governors of their provinces, in a constructive and forward-looking manner, and to gather feedback should Governors wish to make additional comments. **More importantly, they have been asked to discuss ways of improving scores because – more than anything else – the objective of the scoring is to (i) improve performance, (ii) correct perceived issues and (iii) disseminate 'best practices'. The objective is *not* to be unduly critical, in line with the objective of the first performance being a 'learning experience' for all, including the PBGF team.**

The scoring for all provinces (and the justification for each of the scores) was finished on the 8th of August. The findings for each province are detailed in provincial reports, which will include a section with recommendations for the future. These detailed provincial reports are currently being finalized together with the regional managers in charge of these provinces. They will be published on the website (password-protected side) end of August.

M&E Results

The results of the 1st Quarter Performance Evaluation are summarized below. The average total score was 5.83 on 10, which basically means that – on average – program performance is satisfactory[23]. The individual scores on each of the five performance areas, as well as the total scores, are given in the table below.

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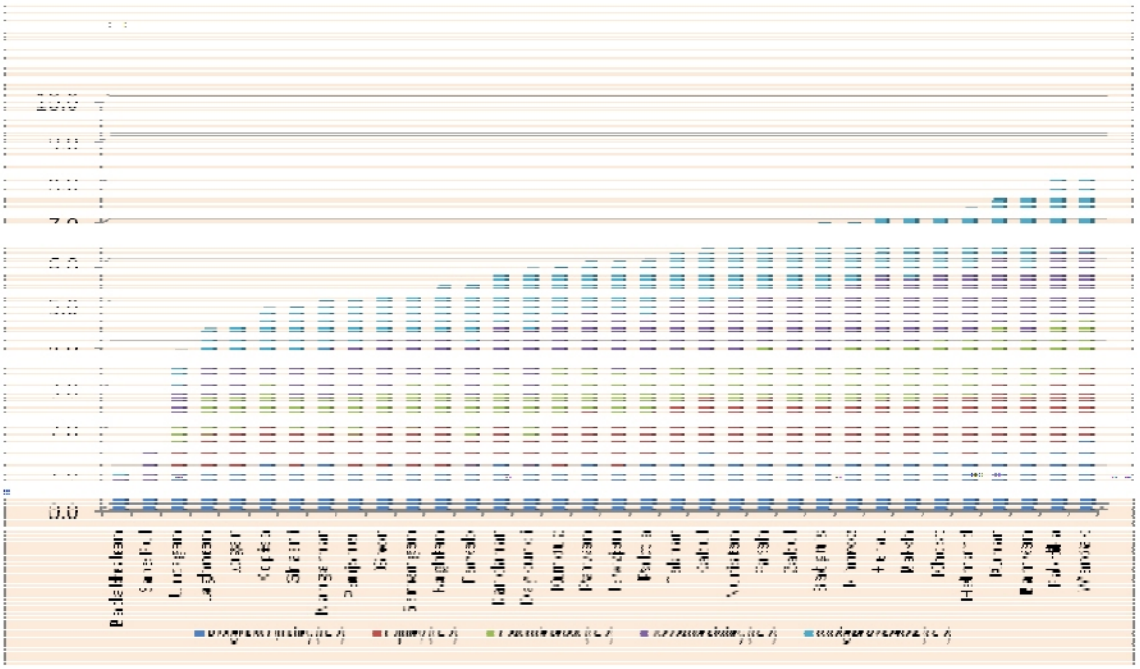
[21] This exercise is underway and TAF is currently receiving more structured PRT/donor input on the program from the field.

[22] Some regional managers, despite intensive preparation and explanation of the scoring mechanism and the methodology, had a tendency to either over-rate or under-rate performance, on some or all of the criteria. This was discussed and corrected.

[23] In this regard, it can be noted that a score of 3 in the 0 to 5 range for sub-criteria, is equivalent to 6 on 10 .

21 March until 21 June 2010	Program Quality (0-2)	Equity (0-2)	Consultation (0-2)	Accountability (0-2)	Budget Practice (0-2)	Total (0-10)
Badakhshan	0.5	0.0	0.1	0.2	0.2	1.0
Sare Pul	0.3	0.0	0.0	1.2	0.0	1.5
Urozgan	0.9	0.7	0.6	0.9	0.8	3.8
Laghman	1.0	0.9	0.9	1.0	0.6	4.4
Logar	1.1	0.9	0.8	0.9	0.9	4.6
Kapisa	1.2	1.0	0.8	0.6	1.2	4.8
Ghazni	1.1	0.8	0.8	1.1	1.1	4.9
Nangarhar	1.2	0.8	0.7	1.2	1.2	5.1
Panjsher	1.0	0.9	0.9	1.2	1.1	5.1
Ghor	1.1	0.9	0.9	1.3	1.0	5.2
Samangan	1.0	1.0	1.0	1.2	1.0	5.2
Baghlan	1.0	1.2	1.0	1.1	1.1	5.4
Faryab	1.2	0.7	0.9	1.4	1.3	5.5
Kandahar	1.2	1.1	1.0	1.2	1.2	5.8
Daykundi	1.2	0.6	1.1	1.6	1.4	5.9
Kunduz	1.1	1.3	1.3	1.1	1.1	5.9
Parwan	1.2	1.2	1.2	1.2	1.1	6.0
Jawzjan	1.1	1.1	1.2	1.5	1.2	6.0
Paktia	1.2	1.2	1.0	1.4	1.2	6.0
Takhar	1.3	1.3	1.3	1.2	1.2	6.3
Kabul	1.4	1.3	1.1	1.2	1.3	6.3
Nuristan	1.3	1.2	1.1	1.5	1.3	6.4
Farah	1.3	1.4	1.3	1.3	1.3	6.6
Zabul	1.3	1.2	1.4	1.5	1.4	6.9
Badghis	1.3	1.2	1.3	1.6	1.5	6.9
Nimroz	1.3	1.4	1.4	1.4	1.4	6.9
Herat	1.3	1.3	1.4	1.6	1.4	7.2
Balkh	1.2	1.3	1.5	1.5	1.6	7.2
Khost	1.5	1.4	1.4	1.6	1.4	7.2
Helmand	1.3	1.4	1.5	1.6	1.4	7.3
Kunar	1.6	1.5	1.5	1.5	1.4	7.6
Bamyan	1.4	1.4	1.4	1.6	1.7	7.6
Paktika	1.5	1.6	1.7	1.7	1.7	8.1
Wardak	1.8	1.6	1.4	1.6	1.7	8.1
Average (μ)	**1.2**	**1.1**	**1.1**	**1.3**	**1.2**	**5.83**
				Standard deviation (σ)		**1.56**
				Mean ± 1 STD [μ ± σ]		**4.28 - 7.39**
				Mean ± 2 STD [μ ± 2σ]		**2.72 - 8.95**

The scores and ranking are also visualized in the graph below:



The next step is to determine which scores are exceptionally above, or exceptionally below, the average, in order to group all provinces into the following categories:

1. Star performers
2. Above average performers
3. Average performers (i.e. satisfactory performance)
4. Below average performers
5. Bad performers

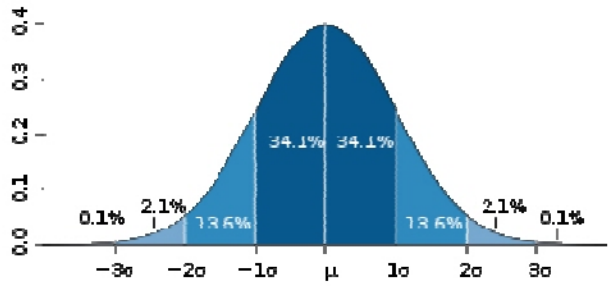
This grouping – which is highlighted by the colors in the table above – is achieved by applying a standard technique: the standard deviation from the average has been calculated and is used to cluster the provinces in the various groups which need to be identified according to the RFA/CA.

The standard deviation (STD) measures the so-called dispersion of the data (the scores in this case), or the variation from the mean (or the average[24]). One would expect the distribution of the scores for each province, or the percentages indicating the change in those scores, to follow a normal distribution[25], so this distribution should resemble the bell-shaped distribution illustrated below: if the provincial scores were distributed normally,

[24] Statisticians or mathematicians will object that the definition of variation and standard deviation is slightly different. They will also note that the mean and the average have different mathematical definitions. That is correct. However, in the context of the purpose of this exercise, they will have to admit that the difference is not all that relevant. It surely makes no difference to the ranking and grouping of provinces. See the methodology section in the PMP for more details.

[25] There is no reason not to expect so, because normal distributions dominate measurement exercises like this one. It is – to some extent – like measuring the average height of a person.

then one would expect that about two thirds of the scores (68.2% to be precise) will lie within one standard deviation from the mean. In fact, 28 provinces (out of 34) have scores within one standard deviation from the mean. That's 82%. This may mean that the M&E teams have been somewhat hesitant to give exceptionally good or bad scores. It does not, however, impact the substance of the exercise.



Outliers – both in the positive or the negative sense – can be defined as scores that are *two* standard deviations away from the mean. When scores are distributed normally – and it would appear from the form of the graph above that they are[26] – then we would expect about 5% (4.6% exactly) of the population to be outliers, either in the positive or negative sense. In this context, where we have 34 provinces to score, that would mean one or maximum two provinces (0.05 times 34 equals 1.7).

What we observe above is that we have only two outliers, in the negative sense: Badakhshan and Sar-e Pul. Uruzgan comes close however. We refer donors (and the IDLG) to the detailed M&E matrices so they can review the reasons for the exceptionally low scores which were given to these two provinces.

As for the good performers, we note no province achieved a score higher than 8.95, which would have made them true outliers in the positive sense. However, we have four provinces with scores that are higher than 7.4, which is one standard deviation from the mean. These provinces are Kunar, Bamyan, Paktika and Wardak.

It should be stressed that, because of the inherent subjectivity in the scoring exercise, it does not make sense to discuss whether or not Paktika would be better as compared to Wardak, or if Kunar would, in fact, not deserve a somewhat better score than Bamyan. Such discussions are pointless. The measurement is – quite simply – not precise enough for that: a change in one score only already affects the ranking of these top performers *among themselves*. **However, the scoring mechanism is robust enough to state that these four provinces – *as a group* – are top performers, and that other provinces trail these provinces as far as their performance on this program is concerned.** By the same reasoning, it should be noted that the next provinces – Helmand and Khost, and Balkh – trail them closely and, hence, should not be seen as performing *significantly* worse than the star performers: they should be looked at as ranking in the top as well, at least from a statistical point of view.

[26] One could run a statistical test for this but – again – further mathematical or statistical gimmicks are of relatively limited use in this context.

The group of the below average performers is fairly large: 11 provinces were scored below average (below 5.8), and – as mentioned above – Uruzgan skirts this "exceptionally bad zone". So we have 13 below average performers (an unlucky number indeed), out of which two are to be considered as exceptionally bad: Badakhshan and Sar-e Pul. Both provinces present very different cases and cannot be compared, however. We refer to the M&E matrices here: in Badakhshan, the score effectively reflects problems. For Sar-e Pul, however, the matrix basically collapsed because the purchase of an official vehicle for the Governor (which could not be funded out of other sources) made the notion of an 'equilibrium between spending categories' (as well as other criteria – such as consultation) irrelevant.

All other provinces (17 in total) should be looked at as average performers, in the sense that the PBGF program works well there and, hence, achieved its stated objectives in these provinces *but not exceptionally so*.

The results are summarized below:

Star performers:	Wardak (8.1), Paktika (8.1), Bamyan (7.6), Kunar (7.6)
Above average performers:	Helmand (7.3), Khost (7.2), Balkh (7.2), Herat (7.2), Nimroz (6.9), Badghis (6.9), Zabul (6.9), Farah (6.6), Nuristan (6.4), Kabul (6.3), Takhar (6.3), Paktia (6.0), Jazwjan (6.0), Parwan (6.0), Kunduz (5.9), Daykundi (5.9), Kandahar (5.8)
Below average performers: (but with score higher than 5)	Faryab (5.5), Baghlan (5.4), Samangan (5.2), Ghor (5.2), Panjsher (5.1), Nangarhar (5.1)
Score below 5 on 10: (but still within one sigma (σ) from the average)	Ghazni (4.9), Kapisa (4.8), Logar (4.6), Laghman (4.4)
Exceptionally low score: (more than one sigma from the average)	Uruzgan (3.8), Sar-e Pul (1.5), Badakhshan (1.0)

As mentioned above, while this exercise is a very real one, **this first performance evaluation should and will be looked at as a learning experience for all, and so these scores will be discussed by the TAF PBGF team with the Governors/PGOs concerned, and no action from the IDLG nor from donors is requested nor expected.**

II – Financial Analysis of PBGF Disbursements

A detailed financial analysis of expenditures has been provided in the spreadsheets which accompany this report. The following observations can be made in this regard:

The PBGF Disbursement Ratio

In total, *1.7 million USD* was effectively disbursed over the first quarter, so the disbursement rate was only 66% of the permitted ceiling (25,000 USD/month x 34 provinces x 3 months = *2.5 million USD*). Is TAF being too 'strict'?

The PBGF team has evaluated the current procedures in order to see whether and how they could be amended in order to allow for smoother disbursements. In provinces which work well, the system has been simplified to some extent. For instance, the attitude on cash advances to PGOs (for small purchases, for recurring expenditures, or in case a provincial officer goes on leave) has been loosened significantly: in PGOs where there is no difficulty in clearing cash advances against the financial documents that are required (basically the proof of payment, i.e. the bills), cash advances have been allowed and are actually quite substantial[27].

In Wardak and in Helmand, TAF has worked with the Governor and the PGO to set up a 'District Governors Fund' within the Governors Fund. In these two provinces, DGOs have *guaranteed* access to a *minimum* amount of PBGF money which they can use for operational expenditures. The system also works on cash advances (500 USD per district in the case of Wardak[28]) which are cleared against the financial documentation. It basically means that each District Governor can draw up to 500 USD from the Governors Fund without putting in a request[29]: the District Governor just has to clear this advance by providing the financial documentation that shows the expenditures were real and fit within the identified expenditure categories.

The amounts are kept low but the system works and could be expanded. Wardak is a province which spent the full 100% of its budget, and both the PGO as well as the PBGF officer in Wardak do not seem to have any issue with the current procedures. The smooth functioning of the program there is simply the result of the trust which has been built, and

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[27] In Nangarhar, a cash advance of 9,500 USD was given for community outreach expenditures (the advance was used to finance a peace jirga between the Koyani and Shinwari tribes – an important matter indeed). However, at the time of reporting, this advance has not been cleared yet. The regional team in charge of Nangarhar claims the Nangarhar PGO should get a better score (because they *did* spend money on community outreach activities, using this cash advance, as opposed to what the financial data suggests), but so as long as this advance has not been cleared properly (against documents), the expenditures cannot be accounted for as proper expenditures. The regional team in charge of Nangarhar was instructed to speed up and document the process.

[28] In Helmand, the amount exceeds 1000 USD per district, because the support to DGOs there is combined with resources from the HTBSF fund (which is part of DFID's GPIP program).

[29] For anything above it, he needs to petition the Governor though.

therefore allows for the 'loosening' of rules.

In fact, it should be noted that the USAID-TAF CA does – technically – not allow for cash advances (the CA states explicitly that Governors/PGOs should not receive any money directly). Hence, TAF is a bit puzzled at the request to relax the guidelines and procedures. The team simply notes that a number of provinces do manage to spend all of their budget in a completely transparent and accountable way *without* any perceived 'friction' because of the rules or regulations.

The procedures which have been put in place are there to ensure accountability and transparency and – in TAF's view – they cannot be simplified any further, unless donors would want to compromise on accountability or transparency. The PBGF team will make a special effort to disseminate 'lessons learnt' and 'good spending practices' and hopes that, as a result of this, the disbursement rate will continue to increase[30]. It may be good to recall the objectives of the PBGF program as described in the CA/RFA in this regard:

> The PBGF Pilot will: (1) improve access to operational resources and funding for Governors to respond to provincial and citizen needs more effectively; (2) provide provincial administrations with the means and incentives to improve planning, budgeting and auditing capacity; and (3) form the basis of a long-term performance-based program for Provincial Governors. […] All recipients of the PBGF must follow sound planning and budgeting principles that are in line with international accounting principles. […] **The implementing partner must design and implement a system that will allow Governors to access funds quickly, while also accounting for expenditures in a simple, transparent, and understandable matter.** (USAID RFA, p. 4-5)

The Asia Foundation believes it has implemented such system. The rules are simple and can be summed up as follows:

1. Governors (or their Office) need to prepare an annual and monthly budgets (but they do have the liberty to put in as much contingency funding as they wish and the budget can also be changed without prior notice).
2. Expenditures need to fall within the pre-approved categories and need to be documented. Expenditures outside of the pre-approved categories can only be done when there is explicit approval from the IDLG and donors. Such approval is sought through the PBGF Steering Committee, which gathers donors, the IDLG and TAF.
3. While the Governor has complete authority over the budget, the purchases of goods and services need to be done through a procurement committee which is

[30] TAF anticipates PBGF spending could be low – or nil effectively – in one or two provinces at any given time (as in the case of Badakhshan currently) and, hence, some amount of non-disbursement is probably inevitable, although one should note that non-disbursed money is simply carried over and added to the budget of the next month. In fact, a 100% disbursement rate should raise legitimate questions on the effectiveness of the checks and balances in the system). However, the PBGF team has set itself a target of 80 to 85% disbursement rate, and hopes to achieve that through the dissemination of 'best practices', and as a result of this performance evaluation also.

representative of his Office (so the members of the procurement committee must be *tashkeel* staff, and must consist of minimum three members)[31].

The Distribution of Expenditures over the various Spending Categories

The following can be noted:

- 241,922 USD was spent on community outreach. This is not only significantly less than what was planned (about 470,000 USD as per the annual budgets developed by Governors/PGOs), but it's also not all that much as a percentage of total spending (14.2%).

- Spending in the repair/refurbishment of public facilities category constitutes 12.3% of the total (208,679 USD).

- Spending in the transportation/cost of travel category was less than 100,000 USD (94,514 USD, i.e. 5.6% of the total PBGF expenditures over the 1st quarter).

- ICT expenditures (which cover communication costs such as Internet, mobile phone cards, satellite phones etcetera) added up to about 137,000 USD, or 8% of the total.

Hence, the single biggest expenditure category – and growing in many provinces – is the vehicles and equipment category, which consumed more than half (57%) of the expenditures: about 1 million USD out of the 1.7 million USD which was spent.

About one third (331,048 USD in total) of those expenditures, were expenditures on vehicles, and one of those vehicles (the official vehicle for the Governor of Sar-e Pul) represented a fifth of those expenditures (63,000 USD). Out of 34 provinces, 15 provinces decided to buy one or more vehicles with the PBGF fund. In some cases, these were second-hand vehicles[32].

The concerns of TAF in this regard have been expressed already in previous reports: **the PBGF fund should not become a fund for vehicles, and one may wonder how much extra equipment should be purchased at the provincial level in light of all of the support which has been given to PGOs by programs such as the LGCD program.** The revamped ASP program (now ALGFDP) should be used for vehicle (and, possibly, equipment) purchases in TAF's view[33], and so *TAF hopes that the feedback provided to Governors* – additional

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[31] This is probably the most important safeguard against corruption: the procurement committee has no say in spending priorities (this is for the Governor), but it ensures that what is being bought is being bought at competitive prices.

[32] TAF has repeatedly requested USAID for a waiver on the general USAID rules on vehicle purchases, because these cannot be applied to the reality of the PBGF program.

[33] The ASP program is under-funded, however. It is part of the IDLG's priority program, and it has been re-presented to donors as part of the Kabul Conference follow-up (see *Sub-National Governance – The Way Forward, 2010-2014*, IDLG, August 2010).

purchases of vehicles for the use of the Provincial Governor's Office will continue to reflect badly in the scores related to the equilibrium between spending categories – *will diminish spending in this category somewhat.*

That being said, TAF is not of the opinion that the IDLG or donors should become more involved in spending prioritization[34]: when everything is said and done, the PBGF fund is a Governor's fund, and they can and should use it at their discretion.

The Distribution of Expenditures: Provincial- versus District-Level

The coding system used for PBGF accounting system allows to identify if an expenditure was made at the provincial level (provincial capital), or at the district level. One of the Annexes provides a very detailed analysis, month per month and province per province, in this regard. The analysis is interesting: in some provinces, the focus seems to only on the provincial capital. In others, it is the district level itself which benefits from the PBGF spending. The distribution of expenditures over the provincial versus the district level will be watched more closely.

[34] One could think of, for instance, some kind of ceiling (defined as a percentage of the total budget) for each spending category, or some more general rule (e.g. no spending category should consume more than 50% of the available budget). However, as mentioned above, TAF does not feel such rules for determining spending priorities should be imposed.

III – Conclusions and Recommendations

The conclusions and recommendations from TAF on the program are not many and simple:

1. The program is functional: the average score for all of the five performance areas (quality of programming, equity of benefit sharing, communication and consultation, accountability, and overall budget practice) is 1.1 to 1.3 (out of a maximum score of 2). On average, Governors/PGOs actually score highest on accountability. Therefore, **TAF sees no reason to make any significant changes to the program or the PBGF system.**

2. TAF believes this first M&E exercise was successful. **Now Governors/PGOs need to be given time to correct course, if needed, or further improve performance on the program.** According to TAF, Governors/PGOs should be given some more time to digest the feedback from this evaluation exercise. Therefore, TAF would like to request the IDLG and donors to do the second performance evaluation (i.e. the mid-term evaluation) after 9 months of effective disbursements (so three quarters of the current financial year are included, instead of two). Indeed, the time of reporting falls right in the middle of the second financial quarter, and it will take to fully brief the Governors about the results of this exercise and organize feedback. In fact, in light of the fact that Ramadan has started, it may well take the rest of this financial quarter[35].

[35] It should also be noted that the Ramadan period – inevitably – will also lead to lower activity levels across the board.

The Asia Foundation

Performance Based Governors Fund

Achievements on PMP Indicators



Kabul, Afghanistan

Submission Date: 23 August 2010

PBGF Reporting on the USAID PMP Indicators
for the period of March 21 – June 20, 2010

USAID/Afghanistan CA
No. 306-A-00-09-00531-00

The Asia Foundation

Terms of Reference

USAID/Afghanistan Cooperative Agreement section A.5, par 2 (Program Reporting): "The performance reports are required to be submitted quarterly and shall be in keeping with the program description."

The first quarterly report covered November-December 2009 and was submitted on 24 February 2010, together with the financial report. It essentially documented progress on assembling the program team and on discussions with donors (USAID, DFID, Belgium and CIDA at the time).

The second quarterly report covered January-March 2010 and was submitted on 4 May 2010. It was a report on the program start-up (PBGF disbursements commenced on the 21st of March 2010, i.e. the start of the Afghan financial year). This report also contained PMP performance data, even if PBGF disbursements had not started yet. This data (e.g. data on training and capacity-building) was reported according to the PMP which had been submitted to USAID on 14 December 2009.

The third quarterly report served both as the third quarter report as well as the M&E report on the first quarter of actual PBGF disbursements to Governors/Provincial Governor's Offices, which coincides with the first quarter of the Afghan Financial Year (21 March 2010 – 21 June 2010). It was submitted to all of the PBGF donors (USAID, DFID and Belgium) on 10 August 2010 and it was a narrative report only: the quarterly financial reports have been submitted separately to donors, based on the common cost-sharing template. This report was approved by the PBGF Steering Committee meeting on 15 August 2010. However, because of time constraints, some of the PMP data for USAID on Strategic Objectives (SOs), Program Objectives (POs) and Intermediate Result (IR) indicators could not be gathered on time for the above-mentioned quarterly report.

This report fills this gap. Hence, it should be read together with the above-mentioned report which has already been submitted. It has only one section, and that is the 'Reporting on the PMP Indicators'.

Cover and lay-out of this document are in accordance with the Branding/Marking Plan submitted to USAID. This report has been shared with the other PBGF donors (DFID and Belgium), as well as with the Independent Directorate for Local Governance (IDLG), which is The Asia Foundation's government counterpart on the program.

TAF does not share this report with third parties or other external stakeholders. Of course, donors (and the IDLG) are free to circulate and publish this report as per their rules and regulations.

Reporting on the PMP indicators

The PBGF PMP for USAID was submitted to USAID on 14 December 2009. However, it was only finalized, in close coordination with the USAID AOTR, in May 2010. Based on the requirements and indicators of the PMP, the PBGF M&E team developed data collection instruments and trained the respective Provincial and Regional staff on the data collection and reporting. This report includes the achievements and progress of PBGF against the PMP indicators during the first quarter of PBGF disbursements to Governors/PGOs (March 21 to June 20, 2010).

It has been clarified and agreed in the PMP that the PBGF team has to report progress against the following Mission Strategic Objectives, Results and Program Elements:

Strategic Objective 6: A democratic government and broad citizen participation
IR 6.3: Strengthened institutions for good governance

Program Area 2: Good Governance
Program Element 2.3: Local Government and Decentralization
Program Element 2.4: Anti-Corruption Reforms

Indicators are as follows:

Indicator.1 Number of sub-national government entities receiving USG assistance to improve their performance

The PBGF program provides up to 25,000 USD per month of funding to all 34 provinces of Afghanistan over a one-year period, i.e. the so-called Pilot Phase, which coincides with the current Afghan Financial Year (21 March 2010 till 20 March 2011). This funding covered operational expenditures as well as community outreach activities. The expenditures are done within six permissible spending categories (see below for further detail). The disbursements of funds to the provinces did start effectively on 21 March 2010 and hence, 34 Provincial Governors' Offices (PGOs) – the sub-national government entities received USG financial assistance to improve their performances. The first quarter of the program ended on June 20, 2010. The first quarterly evaluation of the performance of Governors/PGOs in regard to PBGF spending has been completed and the M&E report has been shared with all stakeholders (donors and the IDLG).

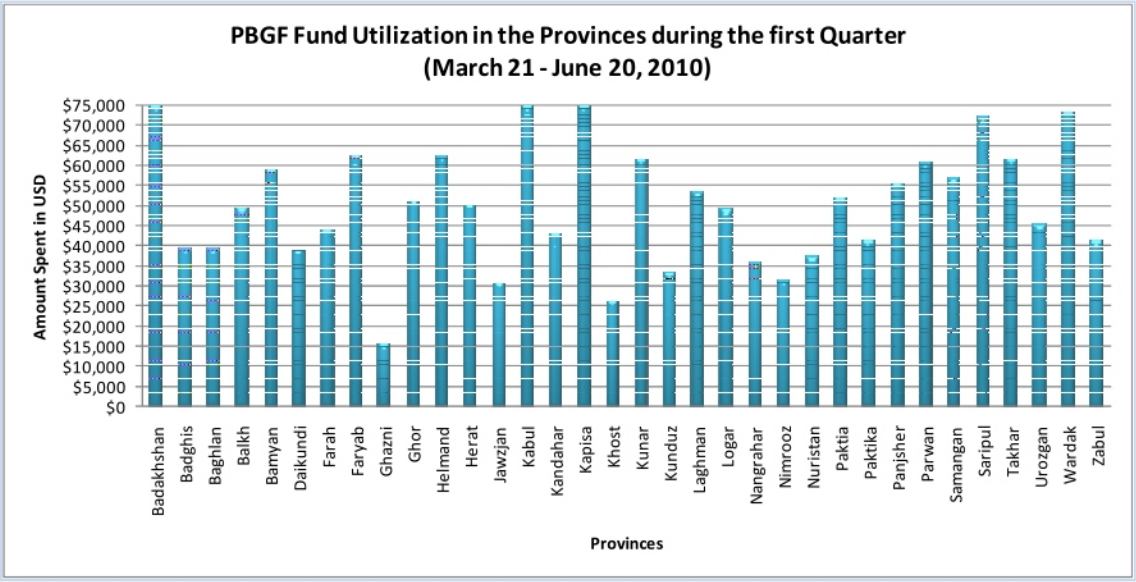
The permitted ceiling for spending was 2.5 million USD (34 provinces x 3 months x 25,000 USD/month). However, because of the in-built transparency and accountability rules, which result in procedural friction, disbursements picked up over the three-month period as follows:

Hamal (21 March – 20 April):	241,750 USD (28% of the permitted ceiling)
Saor (21 April – 21 May):	603,081 USD (71% of the permitted ceiling)
Jaoza (22 May – 21 June):	878,513 USD (104% of the permitted ceiling)

Because budget can be saved up (it is added to next month's budget), low disbursement in the first months is not problematic and, in fact, is what is to be expected. The disbursement rate of the third month shows that budget savings are now being used and so the disbursement rate is moving closer to the target rate.

In total, 1.7 million USD was spent over the first quarter. That is 65%, on average, of the permitted ceiling over the whole three-month period. TAF expects the disbursement rate to average 80 to 85% over the whole of the PBGF Pilot Phase (12 months). The funds utilized by each province differ substantially:

Figure 1: PBGF Fund Utilization in all 34 Provinces



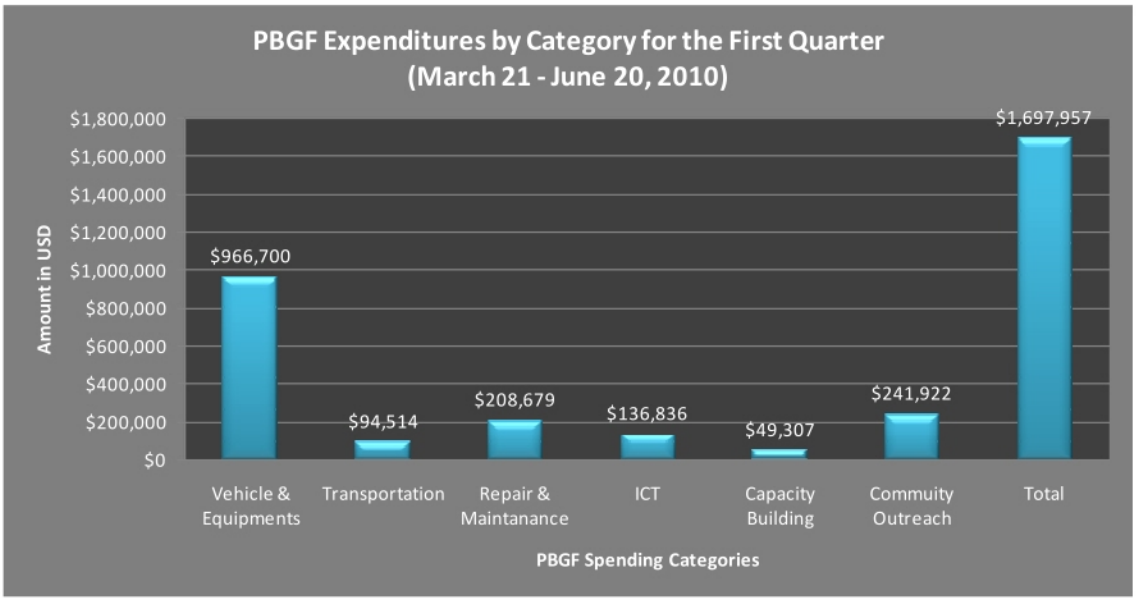
Five provinces (Kapisa, Kabul, Badakhshan, Wardak and Sar-e Pul) were able to fully spend their budgets. Ghazni was the province with the lowest disbursement rate. For more detailed information about each of the provinces (and the reasons for the variation in disbursement rates), as well as an analysis, we refer to the above-mentioned quarterly report which has been submitted to the PBGF Steering Committee on 10 August, as well as to the individual provincial M&E reports which can be consulted on the PBGF website (USAID has been provided with a password for consultation): www.pbgf.gov.af.

The six permissible spending activities under each category are as below:

1. ***Vehicles and Equipment***
2. ***Transportation and Travel Expenses***
3. ***Repair and Maintenance of Public Facilities***
4. ***ICT Costs***
5. ***Capacity Building***
6. ***Community Outreach***

Figure 2 shows the distribution of actual expenditures over the various expenditure categories.

Figure 2: PBGF Expenditures per Category during the First Quarter (21 March – 20 June)

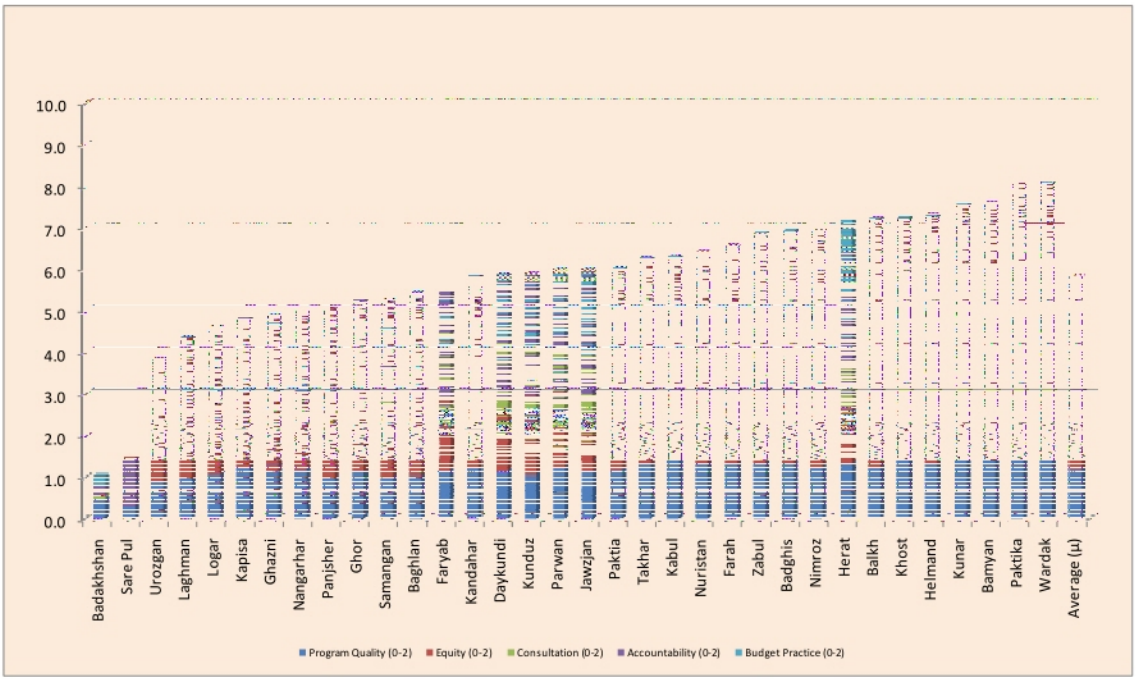


The chart above shows that a substantial part of funding (966,700 USD) was used in the vehicles and equipment category. Spending on capacity-building was fairly (49,307 USD). The second largest category of fund usage was community outreach (241,922 USD), followed by repair and maintenance of public facilities (208,679 USD). 136,836 USD was spent on ICT and communication costs, while 94, 514 USD was spent on transportation and travel costs.

Again, for a more detailed analysis, we refer to the above-mentioned quarterly report which has been submitted to the PBGF Steering Committee on 10 August, as well as to the individual provincial M&E reports which can be consulted on the PBGF website (USAID has been provided with a password for consultation): www.pbgf.gov.af.

The performance of Governors/PGOs in regard to PBGF fund utilization was measured and evaluated. The results of this exercise are shown below:

Figure 3: Performance of Provinces during the First Quarter



The chart above shows that Wardak, Paktika, Bamyan and Kunar have been the top performing provinces, while Badakhshan and Sar-e Pul provinces were scored significantly below the average. The M&E report provides more details.

Indicator.2 Number of individuals who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization

The spending by the Governors/PGOs themselves (in the capacity-building spending category) benefited a total of 445 individuals (398 male and 47 female), distributed over all 34 provinces. The trainees include PGO officials, DGO staff, Line Ministry Department officials as well as district- and village-officials (e.g. DDA and CDC members). Trainings included basic management and administration, report writing, proposal writing, gender budgeting, planning, etc… These trainings were paid for out of PBGF funds managed by the Govenors/PGOs.

In addition, the PBGF regional teams provided various on-the job trainings in budgeting, planning, procurement and report writing to PGO staff as they traveled frequently to the provincial capital to facilitate and improve PBGF program implementation. These on-the job trainings are an on-going process and part of PBGF activities in the provinces and, therefore, they have not been documented in the overall training log.

Indicator.3 Number of mechanisms for external oversight of public resource use supported by USG assistance implemented

The M&E exercise revealed that many of the Governors/PGOs share PBGF program information (PBGF-funded activities as well as financial reports) with other governmental and non-governmental actors at the provincial level such as the Provincial Council, the Provincial Administrative Assembly, the Provincial Reconstruction Team, donors and other international organizations working in the province. Also, there is information-sharing with, and public scrutiny by, District Development Assemblies, District Governors and – to some extent – Community Development Councils.

The website – on which the PBGF budgets and financial reports are published – facilitates such information-sharing and public scrutiny.

Indicator.4 Number of USG-supported anti-corruption measures implemented

The most important anti-corruption measure is the establishment of an independent procurement committee. While the Governor is the budgeting authority in this program (within the six permissible spending categories), it is procurement committee in each PGO which is responsible for all PBGF procurement of goods and services. These procurement committees consist of three to five PGO *tashkeel* staff members which represent the PGO and who undertake procurements in accordance with the PBGF procurement guidelines and procedures.

In addition, the TAF/PBGF provincial officer observes the proceedings of the procurement committee and oversees its procurement activities. Most importantly, the TAF/PBGF provincial officer does the actual payment, in accordance with the restrictions as mentioned in the USAID CA on this program.

(b)(6

TABLE 1: ACHIEVEMENTS AND PROGRESS ON KEY USAID INDICATORS

PBGF Reporting Type (circle one): Quarterly

Reporting period: 1st Quarter of PBGF Spending (21 March – 20 June, 2010)

Contact: [redacted] PBGF Manager [redacted]

Reports on Table 4.1A: Performance Progress Data Table of the PMP

No.	Indicator	Reporting frequency	Unit	Target Values (Cumulative)	Progress / Status (Amount/Value)	
				PY 2010	This period	Cumulative to This period
Indicators for USAID Strategic Objective 6, IR 6.3" Program Area 2.2 and Program Element 2.3						
1	Number of sub-national government entities receiving USG assistance to improve their performance	Quarterly	Number	34	34 Provinces (PGOs)	34 Provinces (PGOs)
2	Number of individuals who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization	Quarterly	Number	N/A	445 PGOs'/DGOs' officials, provincial governmental entities and communities	445 PGOs'/DGOs' officials, provincial governmental entities and communities
Indicators for USAID Strategic Objective 6, IR 6.3" Program Area 2.4						
3	Number of mechanisms for external oversight of public resource use supported by USG assistance implemented	Quarterly	Number	N/A	3 (auditing, website, consultation with other stakeholders)	3 (auditing, website, consultation with other stakeholders)
4	Number of USG-supported anti-corruption measures implemented	Quarterly	Number	N/A	3 (management and oversight, internal auditing, procurement committees)	3 (management and oversight, internal auditing, procurement committees)

(b)(6)

TABLE 2: PBGF EXPECTED RESULTS AND INDICATORS MATRIX

PBGF Reporting Type (circle one): Quarterly

Reporting period: 1st Quarter of PBGF Spending (21 March – 20 June, 2010)

Contact: [redacted] PBGF M&E Manager: [redacted]

Reports on Table 4.1B: Program Results Progress Data Table of the PMP

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
Result 1: Improved resource-flows to meet Governors' operational needs.					
Number of PGOs receiving monthly PBGF funds	This measures the number of PGOs receiving PBGF fund on a monthly basis	Monthly	Number	Regional Managers, Provincial Officers Reports, Performance Evaluation Report	34 PGOs received PBGF funds, however, 1 province was suspended due to lack of respect for the PBGF financial rules
Number of governors utilizing PBGF fund	This measures the number of PGOs actually utilizing the PBGF fund	Monthly	Number	Regional Managers, Provincial Officers Reports, Financial Reports, Performance Evaluation Report	33 PGOs are utilizing the PBGF funds, 1 province is suspended
Result 2: Increased self-sufficiency with respect to provincial resources.					
Number of PGOs able to prepare basic plans and budgets	This indicator measures how the PBGF program has supported the PGO staff and has improved their skills in planning and budgeting so they are able to prepare basic plans and monthly budgets	Quarterly	Number	Regional Managers, Provincial Officers Reports, Financial Reports	All 34 provinces are able to prepare a basic budget plan. PBGF fund are disbursed only if they submit the monthly budget plan.
Result 3: Decreased lobbying of PRTs and international donors for small expenditures.					
Number of PGOs with decreased lobbying from PRT and International donors	This indicator measures how many PGOs have reduced requests for small operational funds to PRTs and other donors in the provinces	Quarterly	Number	Performance Evaluation Report, Regional Managers, Provincial Officers Reports, interviews with external stakeholders (first and foremost the PRT and the donor concerned)	Although it was too early to measure it during the first three months of disbursements, the evaluation indicates that at least PGOs decreased lobbying for small expenditures with PRTs and international donors. For the other 19 provinces, indications are that they either did not decrease their lobbying or, else, that no adequate data was available (the M&E input

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
					could not be gathered systematically through donor offices in Kabul)
Result 4: Increased responsiveness of Governors to answer appropriate requests from the villages, districts, Provincial Councils and civil society.					
Number of community outreach projects implemented	This indicator measures how many public outreach projects and activities supported by PBGF fund implemented through PGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	15 community outreach projects supported by PBGF throughout the country. These include small tailoring projects, support to sport activities, public garden support, etc..
Number of public facilities maintained and repaired	This indicator measures the number of public facilities (public buildings, masques, etc..) maintained and repaired through PGOs using the PBGF fund	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	28 public facilities (such as masques, schools, clinics, roads, etc..) repaired and maintained by PBGF fund in different provinces.
Number of DGOs directly receiving PBGF fund	This indicator measures how many District Governors' Offices received PBGF fund directly and was spent through the DGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	13 provinces out of 34 are distributing funds to their respective DGOs.
Result 5: Increased citizen interaction with Governors and introduction of a culture in which responding to citizen needs is considered a core function of the provincial administration.					
Number of public events/Jirga supported by PBGF fund	This indicator measures the number of public events (elders gathering, councils, Jirgas, etc..) supported financially by PBGF and through the PGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	51 public events/jirgas/meetings funded by PBGF through the country.
Average number of visits by Governor to the districts and CDCs funded by PBGF	This indicator measures the average number of Governors' visits outside of the province (to districts, villages, CDCs) using the PBGF fund for their travel and transport and other expenses.	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	During the last three months, 106 visits have been made by 32 Governors. As average, each governor had 3 visits to the districts and communities.
Result 6: Increased capacity in programming and expenditure management, including the ability of provincial structures to comply with requirements on programming systems (e.g. auditing and transparency requirements) and to strengthen procurement systems for goods/services in the Governors' offices)					
Number of financial	Measures the number of financial	Quarterly	Number	Regional Managers, Provincial	2 provinces received formal

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
management trainings provided to PGOs	management trainings (on the job) provided to PGO staff by the PBGF team and/or supported by the PBGF fund			Officers Progress Reports, Financial Reports, Performance Evaluations	trainings on budgeting and procurement funded by PBGF. However, all the 34 PGOs have received on-the job trainings on budgeting, planning and financial management by TAF/PBGF staff.
Number of PGOs conduct PBGF coordination meetings with stakeholders	This indicator measures the number of PGOs who conduct coordination meetings with other stakeholders in the province to discuss about the PBGF fund and its use	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	33 PGOs conduct PBGF coordination meetings with stakeholders.
Number of PGOs with functional procurement committee	This indicator measures how many PGOs have established their procurement committees and how many of them are effectively functioning actively in the PGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	33 provinces have functional procurement committees. 1 province was not functional and funding was suspended.
Result 7: Establishment of a culture of transparency and accountability, by facilitating good reporting practices on planning/expenditures and by implementing regular audits.					
Number of PGOs preparing regular financial reports	This indicator measures how many of the PGOs prepare the financial reports of PBGF for the concerned authorities in a correct manner	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Finance Reports, Performance Evaluation Report	33 PGOs are preparing regular financial reports. 1 province is not.
Number of PGOs conduct PBGF fund expenditure audits	This indicators means how many PGOs conduct internal audits and control the PBGF fund expenditures efficiently	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports	33 provinces regularly oversee the PBGF fund expenditures. Most of the provincial governors are checking the financial documents in addition to the Finance, Administration and Executive Directors of the PGOs. 1 province is suspended.
Result 8: Increased support for the implementation of the new sub-national governance policy, by creating a regular practice by which the Governors take responsibility for and have the authority to respond as provincial needs arise.					
Number of special events supported and facilitated by	This indicator measures any governance related special event supported by PBGF	Quarterly	Percentage	Regional Managers, Provincial Officers Progress Reports	10 special events funded by PBGF fund in different provinces. The

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
PGO using PBGF fund	fund such as community conflict resolution, conferences and other events				events include celebration of Mothers' day, teachers' day, Mujahidins' day, etc…
Result 9: Establishment of a base-line performance level for Governors, which will form the foundation for determining funding allocations under future PBGF iterations.					
Number of PGOs are satisfied with PBGF fund allocation	This indicator measures the number of PGOs who are satisfied not only with the way the program works but also with the amount of funding the PBGF program provides to them	Quarterly	Number	Regional Managers Report, M&E Report	32 PGOs are satisfied with PBGF fund allocation. 2 provinces are not. However, all the PGOs requested for more funds during the quarterly evaluation.

Performance Based Governors Fund

4rd Quarter Narrative Report

January – March 2011



Submission Date: 13 April 2011

USAID/Afghanistan CA
No. 306-A-00-09-00531-00

The Asia Foundation

Terms of Reference

USAID/Afghanistan Cooperative Agreement section A.5, par 2 (Program Reporting): "The performance reports are required to be submitted quarterly and shall be in keeping with the program description."

This report is the sixth and last quarterly narrative report on the program (financial reports are submitted separately). It covers the second quarter of the US Fiscal Year 2011 (which started on 1 October 2010), and the fourth and last quarter of PBGF disbursements to Governors/PGOs. This report is *not* the final evaluation report, which will be submitted to donors and the IDLG separately.

Cover and lay-out of this document are in accordance with the Branding/Marking Plan submitted to USAID. This report will also be shared with the other PBGF donors (DFID and Belgium) and with the Independent Directorate for Local Governance (IDLG), which is The Asia Foundation's government counterpart on the program. It is to be discussed by the PBGF Steering Committee.

TAF does not share this report with third parties or other external stakeholders. Of course, donors (and the IDLG) are free to circulate and publish this report as per their rules and regulations.

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List of Acronyms

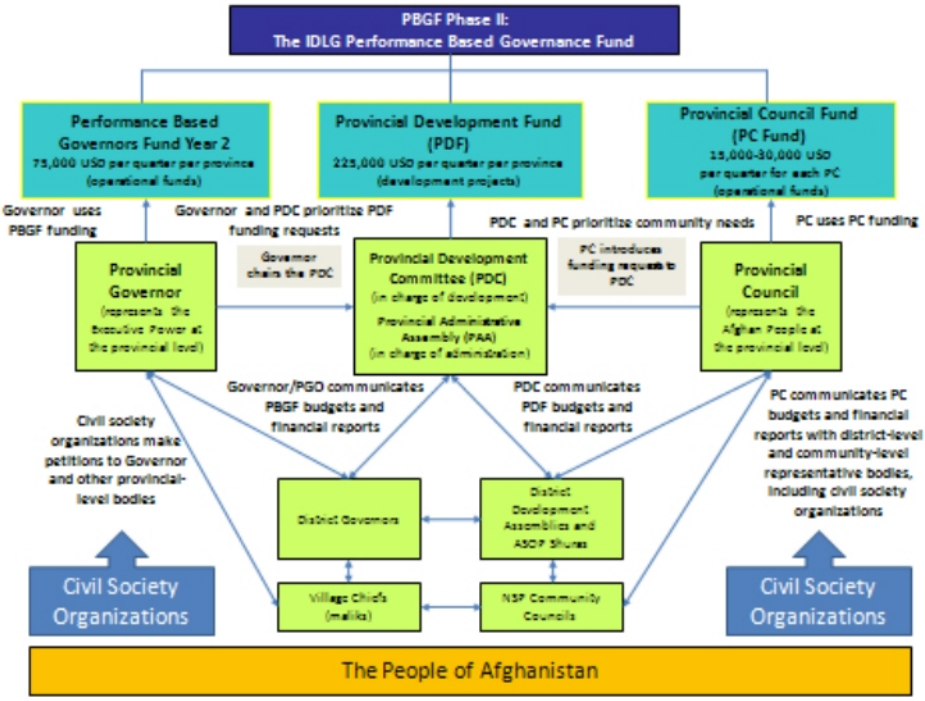
ASGP	Afghanistan Sub-National Governance Program (UNDP)
CA	Cooperative Agreement (USAID funding instrument)
CDC	Community Development Council (established under NSP)
CERP	Commander's Emergency Response Program (US DoD)
COP	Chief of Party
DCOP	Deputy Chief of Party
DDA	District Development Assembly (established under NABDP)
DDP	District Delivery Plan (IDLG)
GIRoA/GoA	Government of the Islamic Republic of Afghanistan/Government of Afghanistan
GPIP	Governors' Performance Improvement Program (umbrella program for DFID comprising: (i) PBGF and (ii) HTBSF)
HTBSF	Helmand Transitional Budget Support Fund (US$ 37,500/month budget support program for the Helmand Governor; additional to PBGF, Helmand only – funded by DFID)
ICT	Information and Communication Technology
IDLG	Independent Directorate for Local Governance
ISAF	International Security Assistance Force
M&E	Monitoring and Evaluation
MoF/MOF	Ministry of Finance
NABDP	National Area-Based Development Program (UNDP-MRRD program)
NSP	National Solidarity Program (UNDP-MRRD program)
PAA	Provincial Administrative Assembly (administrative body consisting of all of provincial authorities, chaired by the Governor)
PBGF	Performance Based Governors' Fund (US$ 25,000/month/province budget support program for PGOs)
PBGF II	Performance Based Governance Fund (follow-on program to PBGF providing support to Governors, Provincial Councils and Provincial Development Committees)
PC	Provincial Council (elected body)
PDC	Provincial Development Committee (provincial development coordination mechanism consisting of all provincial authorities)
PGO	Provincial Governor's Office
PLMD	Provincial Line Ministry Department
PRT	Provincial Reconstruction Team (civilian-military)
RFA/RFP	Request for Application/Request for Proposal
SCU	Strategic Coordination Unit (IDLG policy unit)
SNG	Sub-National Governance
TAF	The Asia Foundation
TOR	Terms of Reference
UNDP	United Nations Development Program

I – Program Achievements

In line with the requirement to write the quarterly report in keeping with the program description (i.e. attachment B of the Cooperative Agreement), the program achievements are described below following the task structure as mentioned in the RFA/CA (cf. the practice followed in previous quarterly reports).

Task 1: Selection of Provinces and Securing Funds

During the start-up phase of the program (November 2009 – March 2010), it was decided to include *all* 34 provinces of Afghanistan for funding, which makes the PBGF program a truly *national* program in Afghanistan. Task 1 also included securing funds. Although initial spending projections indicated the CIDA decision to *not* co-fund the program would not result in a financial shortfall, later spending projections in September revealed the original program budget had been estimated correctly and, hence, TAF was faced with a serious shortfall in funding. USAID stepped forward and provided TAF with the additional funding which was needed to fill the gap (US$2,905,853). In addition, on 15 January 2011, USAID also requested TAF to submit a proposal for a follow-on program. TAF submitted such proposal on 5 March 2011. USAID provided feedback and requested revisions, as a result of which TAF submitted a revised proposal on 12 April 2011. The follow-on program envisages an expansion of the program: besides the continuation of the current funding support to Governors/PGOs, the expanded program would also include interim financial support to all Provincial Councils in Afghanistan, as well as a Provincial Development Fund, which would be rolled out more gradually. The diagram below illustrates the basic design principles of the expanded program, which is referred to as the Performance Based *Governance* Fund – abbreviated as PBGF II.



DFID, which had already committed to funding the program for three years under its GPIP agreement with TAF, has indicated the enlarged scope of the program, and its modalities, are broadly agreeable and, hence, DFID is currently also examining the proposal.

Task 2: Briefing/Training of Governors and PGO staff

Briefing/Training of Governors and Provincial Governor's Office (PGO) staff started immediately after the official launch of the program by the Government of Afghanistan and donors in the Government Media and Information Center (GMIC), which took place on 20 January 2010. Briefing/training was completed by mid-March in all provinces, so PBGF disbursements could start simultaneously in all 34 provinces on 21 March 2010, which is the start of the Afghan financial year (i.e. FY 1389[1]) and the date of completion for this task.

Task 3: Distribution of Funds

Disbursements over the quarter under consideration (i.e. the third quarter of PBGF disbursements) amounted to US$3,274,011. This is 128% of the permitted ceiling (US$25,000 x 34 provinces x 3 months). The quarter under consideration was the last quarter of the PBGF Pilot Phase. The cumulative disbursements over the entire PBGF Pilot Phase (i.e. twelve months) amounted to US$9,188,518. This is 90% of the permitted ceiling. The table below shows the disbursements month by month[2].

	Amount (USD)	Cumulative disbursements	% of monthly budget	Cumulative disbursement rate
Hamal (21 March – 20 April)	213,917	213,917	25%	25%
Saor (21 April – 21 May)	619,556	833,473	73%	49%
Jaoza (22 May – 21 June)	861,190	1,694,663	101%	66%
Saratan (22 June – 22 July)	938,491	2,633,154	110%	77%
Asad (23 July – 22 August)	874,166	3,507,320	103%	83%
Sumbola (23 Aug – 22 Sept)	523,921	4,031,241	62%	79%
Mizan (23 Sept – 22 Oct)	647,305	4,678,546	76%	79%
Aqrab (23 Oct– 22 Nov)	613,958	5,292,504	72%	78%
Qaws (23 Nov – 22 Dec)	622,003	5,914,507	73%	77%
Jadi (23 Dec – 20 Jan)	788,304	6,702,811	93%	79%
Dalw (21 Jan – 20 Feb)	929,832	7,632,643	109%	82%
Hut (21 Feb – 20 March)	1,555,875	**9,188,518**	183%	**90%**
Total	**9,188,518**		**90%**	

The table shows that the first quarter saw relatively low disbursement rates, which can be

[1] The Afghan financial year coincides with the Afghan Solar Year calendar, which starts on 21 March (the Afghan New Year or *Naoroz*), and ends on 20 March.

[2] The monthly figures for the first, second and third quarter differ slightly from previous reports because, unlike the figures in previous quarterly PMP reports, these figures *exclude* HTBSF disbursements.

attributed to procedural friction. However, the disbursement rate moved up to a very satisfactory 80% during the second and third quarter, and high spending during the fourth quarter (when Governors/PGOs used accumulated budget savings) led to an overall disbursement rate of 90% over the whole of the PBGF Pilot Phase. This single statistic shows, much better than any other figure, that the program has been very successful in providing financial support to Governors/PGOs.

Task 4: Tracking, Reconciliation and Evaluation of Expenditures

The final evaluation of PBGF fund usage by Governors/PGOs was carried out jointly by the IDLG and TAF. The final evaluation report will be submitted as a separate file to donors and the IDLG in order to be discussed by the PBGF Steering Committee. The M&E scoring mechanism was revised for this last exercise: it was simplified and, at the same time, also made more objective. The revised methodology yielded the expected results. The time-line for the final evaluation was as follows:

Sunday 20 Feb – Thursday 31 March	Joint TAF-IDLG M&E field visits
Sunday 2 April – Wednesday 13 April	M&E workshops (discussion of two provinces per (working) day)
Wednesday 13 April – Sunday 16 April	Preparation and submission of the M&E report for PBGF Steering Committee

Task 5: Training and Capacity Building

Training and Capacity Building has been an on-going task throughout the program. As of this date, training and capacity-building has focused chiefly on the Provincial Governor's Offices, and much less – if at all – on IDLG capacity-building. The second phase of PBGF programming should remedy this.

II – Reporting on the PMP indicators

According to the PMP, the PBGF team has to report progress against the following Mission Strategic Objectives, Intermediate Results and Program Elements[3]:

1. **Strategic Objective (SO) 6**: A democratic government and broad citizen participation
2. **Intermediate Result (IR) 6.3**: Strengthened institutions for good governance
3. **Program Area 2**: Good Governance
    a) **Program Element 2.3**: Local Government and Decentralization
    b) **Program Element 2.4**: Anti-Corruption Reforms

Such progress is reported using a number of indicators, which are detailed below as well as in the tables in Annex.

Indicator 1: Number of sub-national government entities receiving USG assistance to improve their performance

All 34 Provincial Governors/Governor's Offices (PGOs) continued to receive assistance to improve their performance – technical and/or financial – from the PBGF program over the reporting period. However, because of perceived collusion in a bid for generators, PBGF disbursements in Logar were suspended over the whole period.

The disbursements over the last quarter, and for the whole of the PBGF Pilot Phase, have been given above. Total spending amounted to US$9,188,518, i.e. 90% of the permitted ceiling (US$10.2 million). TAF considers such disbursement rate to be more than satisfactory. The table below shows how much money was spent in each category over the first three quarters of the PBGF pilot program.

Equipment	Transportation	Repair & Maintenance	ICT	Capacity Building	Community Outreach
52%	*6*	*14%*	*5%*	*5%*	*19%*

The table shows that expenditures in the equipment category stabilized around 50% of the total, and spending in the community outreach category does not exceed 20%. Expenditures in the capacity-building category were also rather low.

[3] The PBGF II PMP will use the revised USAID PMP. However, reporting on PBGF I follows the previous PMP.

Indicator 2: Number of individuals who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization

The spending by Governors/PGOs themselves[4] in the capacity-building category during the fourth quarter of PBGF disbursements benefited a total of 730 individuals, distributed over 34 provinces. The trainees include PGO officials, DGO staff, Line Ministry Department officials as well as district and village officials. Trainings included training on report writing, planning, team building, basic management, good governance and leadership, finance and accounting, budgeting, tailoring, computer and etc. These trainings were paid out of the PBGF funds managed by the Governors/PGOs. Hence, the total number of individuals trained over the whole of the PBGF Pilot Phase adds up to 2,090[5].

In addition, the PBGF regional teams provided various on-the-job training to improve PGO staff skills in budgeting, planning, procurement as they traveled frequently to the provincial capitals to facilitate and improve PBGF program implementation. These on-the job trainings are an on-going process and part of the PBGF activities in the provinces and have not been documented in the overall training log.

Indicator 3: Number of mechanisms for external oversight of public resource use supported by USG assistance implemented

The mechanisms for external oversight have not changed since the previous PMP report. All of the PBGF program information (PBGF-funded activities as well as financial reports) is shared with other governmental and non-governmental actors through the PBGF website, or at the provincial level itself (for example in meetings such as the Provincial Development Committee and/or the Provincial Administrative Assembly). Also, there is information-sharing with, and public scrutiny by, District Development Assemblies, District Governors and – to some extent – Community Development Councils. The website – on which the PBGF budgets and financial reports are published – facilitates such information-sharing and public scrutiny.

[4] As opposed to the training organized by TAF as part of the activities which are necessary to run the program, particularly during start-up.

[5] This number is higher than the number of individuals as such, as many PGO and DGO officials benefitted from more than one training.

Indicator 4: Number of USG-supported anti-corruption measures implemented

Here also, the situation has not altered as compared to the previous reporting periods. The most important anti-corruption measure is the establishment of an independent procurement committee. While the Governor is the budgeting authority in this program (within the six permissible spending categories), it is the procurement committee in each PGO which is responsible for all PBGF procurement of goods and services. These procurement committees consist of three to five PGO *tashkeel* staff members who represent the PGO and who undertake procurement in accordance with the PBGF procurement guidelines and procedures.

In addition, the TAF/PBGF provincial officer observes the proceedings of the procurement committee and oversees its procurement activities. Most importantly, the TAF/PBGF provincial officer does the actual payment, in accordance with the restrictions as mentioned in the USAID CA on this program.

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(b)(6

TABLE 1: ACHIEVEMENTS AND PROGRESS ON KEY USAID INDICATORS

PBGF Reporting Type: Quarterly

Reporting period: Fourth Quarter of PBGF Disbursements (23 December 2010 – 20 March 2011)

Contact: [redacted] PBGF M&E manage[redacted]

No.	Indicator	Reporting frequency	Unit	Target Values (Cumulative)	Progress / Status (Amount/Value)	
					This period (3 months)	Cumulative (12 months)
Indicators for USAID Strategic Objective 6, IR 6.3, Program Area 2.2 and Program Element 2.3						
1	Number of sub-national government entities receiving USG assistance to improve their performance	Quarterly	Number	34	33 provinces (PGOs)	34 provinces (PGOs)
2	Number of individuals who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization	Quarterly	Number	N/A	730 individuals	2,090 individuals
Indicators for USAID Strategic Objective 6, IR 6.3, Program Area 2.4						
3	Number of mechanisms for external oversight of public resource use supported by USG assistance implemented	Quarterly	Number	N/A	3 (auditing, website, consultation with other stakeholders)	3 (auditing, website, consultation with other stakeholders)
4	Number of USG-supported anti-corruption measures implemented	Quarterly	Number	N/A	3 (management and oversight, internal auditing, procurement committees)	3 (management and oversight, internal auditing, procurement committees)

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(b)(6

TABLE 2: PBGF EXPECTED RESULTS AND INDICATORS MATRIX

PBGF Reporting Type: Quarterly

Reporting period: Fourth Quarter of PBGF Disbursements (23 December 2010 – 20 March 2011)

Contact: [redacted] PBGF M&E manager: [redacted]

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
Result 1: Improved resource-flows to meet Governors' operational needs.					
Number of PGOs receiving monthly PBGF funds	This measures the number of PGOs receiving PBGF fund on a monthly basis	Monthly	Number	Regional Managers, Provincial Officers Reports, Performance Evaluation Report	34 PGOs are to receive PBGF funds. However, disbursements to one province (Logar) were suspended because of irregularities.
Number of governors utilizing PBGF fund	This measures the number of PGOs actually utilizing the PBGF fund	Monthly	Number	Regional Managers, Provincial Officers Reports, Financial Reports, Performance Evaluation Report	33 PGOs used PBGF funds over the period under consideration (see above).
Result 2: Increased self-sufficiency with respect to provincial resources.					
Number of PGOs able to prepare basic plans and budgets	This indicator measures how the PBGF program has supported the PGO staff and has improved their skills in planning and budgeting so they are able to prepare basic plans and monthly budgets	Quarterly	Number	Regional Managers, Provincial Officers Reports, Financial Reports	All 34 provinces are able to prepare a basic budget plan. PBGF fund are disbursed only if they submit the monthly budget plan.
Result 3: Decreased lobbying of PRTs and international donors for small expenditures.					
Number of PGOs with decreased lobbying from PRT and International donors	This indicator measures how many PGOs have reduced requests for small operational funds to PRTs and other donors in the provinces	Quarterly	Number	Performance Evaluation Report, Regional Managers, Provincial Officers Reports, interviews with external stakeholders (first and foremost the PRT and the donor concerned)	As part of the final M&E exercise, only one USAID FPO (Uruzgan) said the program has not had any impact on Governors/PGO lobbying for small expenditures with PRTs/provincial donor representatives.

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
Result 4: Increased responsiveness of Governors to answer appropriate requests from the villages, districts, Provincial Councils and civil society.					
Number of community outreach projects implemented	This indicator measures how many public outreach projects and activities supported by PBGF fund implemented through PGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	39
Number of public facilities maintained and repaired	This indicator measures the number of public facilities (public buildings, masques, etc..) maintained and repaired through PGOs using the PBGF fund	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	142
Number of DGOs directly receiving PBGF fund	This indicator measures how many District Governors' Offices received PBGF fund directly and was spent through the DGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	Most of the provinces do not *directly* give funds to DGOs. These PGOs consider DGO requests in their monthly budget plans, but is is the PGO procurement committee who does the buying. However, in Helmand, Wardak and Badghis, a system of advances for DGOs was established.
Result 5: Increased citizen interaction with Governors and introduction of a culture in which responding to citizen needs is considered a core function of the provincial administration.					
Number of public events/Jirga supported by PBGF fund	This indicator measures the number of public events (elders gathering, councils, Jirgas, etc..) supported financially by PBGF and through the PGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	232
Average number of visits by Governor to the districts and CDCs funded by PBGF	This indicator measures the average number of Governors' visits outside of the province (to districts, villages, CDCs) using the PBGF fund for their travel and transport and other expenses.	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	Using the PBGF Fund, each Governor has visited 6 districts in average over the period under consideration.

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
Result 6: Increased capacity in programming and expenditure management, including the ability of provincial structures to comply with requirements on programming systems (e.g. auditing and transparency requirements) and to strengthen procurement systems for goods/services in the Governors' offices)					
Number of financial management trainings provided to PGOs	Measures the number of financial management trainings (on the job) provided to PGO staff by the PBGF team and/or supported by the PBGF fund	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	Average of two trainings to each PGO during the reporting quarter
Number of PGOs conduct PBGF coordination meetings with stakeholders	This indicator measures the number of PGOs who conduct coordination meetings with other stakeholders in the province to discuss about the PBGF fund and its use	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	33 PGOs conducted coordination meetings with stakeholders. Most PGOs conduct coordination meetings with one or more stakeholders at least once per week.
Number of PGOs with functional procurement committee	This indicator measures how many PGOs have established their procurement committees and how many of them are effectively functioning actively in the PGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	33 provinces (i.e. all provinces except Logar) have functional procurement committees as of now.
Result 7: Establishment of a culture of transparency and accountability, by facilitating good reporting practices on planning/expenditures and by implementing regular audits.					
Number of PGOs preparing regular financial reports	This indicator measures how many of the PGOs prepare the financial reports of PBGF for the concerned authorities in a correct manner	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Finance Reports, Performance Evaluation Report	33
Number of PGOs conduct PBGF fund expenditure audits	This indicators means how many PGOs conduct internal audits and control the PBGF fund expenditures efficiently	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports	33
Result 8: Increased support for the implementation of the new sub-national governance policy, by creating a regular practice by which the Governors take responsibility for and have the authority to respond as provincial needs arise.					
Number of special events supported and facilitated by PGO using PBGF fund	This indicator measures any governance related special event supported by PBGF fund such as community conflict resolution, conferences, etcetera.	Quarterly	Percentage	Regional Managers, Provincial Officers Progress Reports	26 special events were funded by PBGF in different provinces (e.g. Women's Day celebrations, sport events, jirgas)

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
Result 9: Establishment of a base-line performance level for Governors, which will form the foundation for determining funding allocations under future PBGF iterations.					
Number of PGOs are satisfied with PBGF fund allocation	This indicator measures the number of PGOs who are satisfied not only with the way the program works but also with the amount of funding the PBGF program provides to them	Quarterly	Number	Regional Managers Report, M&E Report	33

Performance Based Governors Fund

Quarterly Narrative Report

April – June 2011



Submission Date: **8 August 2011**

USAID
FROM THE AMERICAN PEOPLE

UKaid
from the Department for International Development

The Asia Foundation

USAID/Afghanistan CA
No. 306-A-00-09-00531-00

Terms of Reference

USAID/Afghanistan Cooperative Agreement section A.5, par 2 (Program Reporting): "The performance reports are required to be submitted quarterly and shall be in keeping with the program description."

This report is the seventh quarterly narrative report on the PBGF program (financial reports are submitted separately). The previous report (sixth quarterly report) covered the fourth and last quarter of PBGF disbursements to Governors/PGOs as part of the PBGF Pilot Phase (PBGF I). This report covers the interim period between the first and the second year of PBGF disbursements.

Cover and lay-out of this document are in accordance with the Branding/Marking Plan submitted to USAID. This report will also be shared with the other PBGF donor (DFID) and with the Independent Directorate for Local Governance (IDLG), which is The Asia Foundation's government counterpart on the program. It is to be discussed by the PBGF Steering Committee.

TAF does not share this report with third parties or other external stakeholders. Of course, donors (and the IDLG) are free to circulate and publish this report as per their own rules and regulations.

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List of Acronyms

ASGP	Afghanistan Sub-National Governance Program (UNDP)
AusAID	The Australian Agency for International Development
CA	Cooperative Agreement (USAID funding instrument)
CDC	Community Development Council (established under NSP)
CERP	Commander's Emergency Response Program (US DoD)
COP	Chief of Party
DCOP	Deputy Chief of Party
DDA	District Development Assembly (established under NABDP)
DDP	District Delivery Plan (IDLG)
GIRoA/GoA	Government of the Islamic Republic of Afghanistan/Government of Afghanistan
GPIP	Governors' Performance Improvement Program (umbrella program for DFID comprising: (i) PBGF and (ii) HTBSF)
HTBSF	Helmand Transitional Budget Support Fund (US$ 37,500/month budget support program for the Helmand Governor; additional to PBGF, Helmand only – funded by DFID)
ICT	Information and Communication Technology
IDLG	Independent Directorate for Local Governance
ISAF	International Security Assistance Force
M&E	Monitoring and Evaluation
MoF/MOF	Ministry of Finance
NABDP	National Area-Based Development Program (UNDP-MRRD program)
NSP	National Solidarity Program (UNDP-MRRD program)
ODG	USAID Office of Democracy and Governance
PAA	Provincial Administrative Assembly (administrative body consisting of all of provincial authorities, chaired by the Governor)
PBGF I	Performance Based Governors' Fund (Pilot Phase) (US$ 25,000/month/province budget support program for PGOs)
PBGF II	Performance Based Governance Fund (follow-on program to PBGF providing support to Governors (PGF), Provincial Councils (PCF) and Provincial Development Committees (PDF)) and Provincial Development Committees)
PC	Provincial Council (elected body)
PCF	Provincial Governors Fund
PDC	Provincial Development Committee (provincial development coordination mechanism consisting of all provincial authorities)
PDF	Provincial Development Fund
PGF	Provincial Governors Fund
PGO	Provincial Governor's Office
PLMD	Provincial Line Ministry Department
PRT	Provincial Reconstruction Team (civilian-military)
RFA/RFP	Request for Application/Request for Proposal
SCU	Strategic Coordination Unit (IDLG policy unit)
SFRC	US Senate Foreign Relations Committee
SNG	Sub-National Governance
TAF	The Asia Foundation
TOR	Terms of Reference
UNDP	United Nations Development Program

I – Current Funding Status

The PBGF Pilot Phase (PBGF I) ended on 20 March 2011, i.e. the end of Afghanistan's Fiscal Year 1389[1]. Both USAID and DFID evaluated the achievements of the program positively. Based on its evaluation, USAID requested TAF to introduce a proposal for a follow-on program and to expand its scope in order to also include Provincial Councils and Provincial Development Committees (PBGF II), while DFID committed to continue funding the program under its existing three-year GPIP agreement with TAF.

Because the DFID evaluation was a formal one, it is worth quoting its main findings. DFID scores its programs worldwide on a five-point scale (1 to 5, with 1 being the best score, and 5 the worst) and gave the PBGF program a score of 2, noting that "The 2 score is justified on the basis of the achievements of the project across the 34 provinces in the areas of: quality of programming, equity of benefit sharing, consultation and communication, accountability and transparency, and improved budget practice. It is a well managed project." In a meeting during which DFID discussed this evaluation with TAF, DFID highlighted that, in light of the context (Afghanistan), and especially in comparison with other DFID-funded sub-national governance programs, this is a rather exceptional score[2].

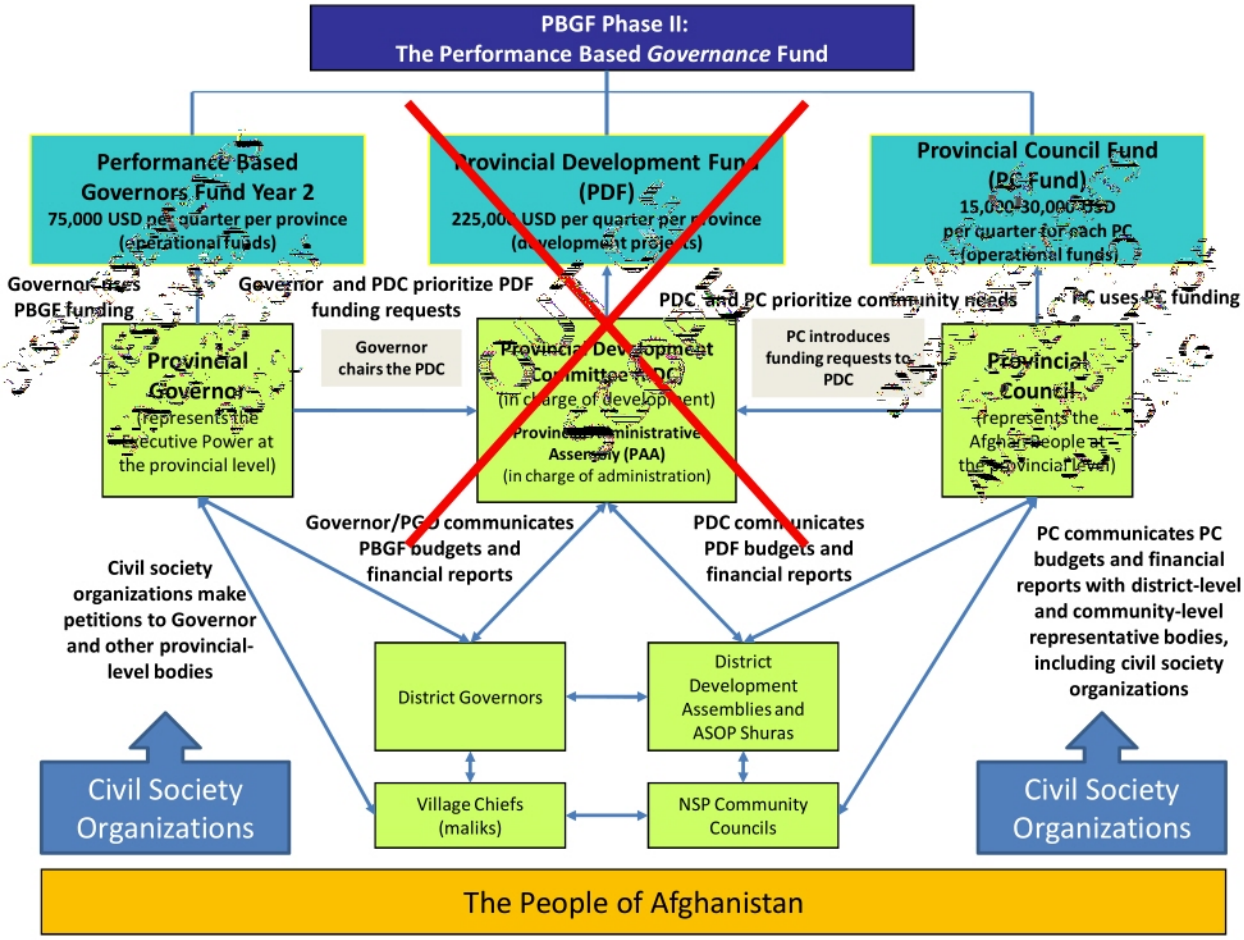
Unfortunately, a Congressional review led by the US Senate Foreign Relations Committee (SFRC) of USAID's assistance to Afghanistan[3] led to a hold on extension requests for a number of USAID-funded programs, including ODG (USAID Office of Democracy and Governance) programs such as PBGF, as a result of which USAID has not been able to provide funding for the PBGF II follow-on program. While the hold on the PBGF program was lifted on 27 July 2011[4], other ODG programs mentioned in the Congressional Notification (CN #40) are still being examined and, hence, the requested funding for PBGF under this CN cannot be released for the time being. In addition, the SFRC made it clear to USAID that it cannot currently fund the proposed Provincial Development Fund because of concerns in regard to the sustainability of this program component[5]. Last but not least, there is continuing uncertainty over USAID's FY2011 budget and, hence, USAID is not in a position to commit to a FY2011 contribution for a PBGF follow-on program. Therefore, it is currently unclear whether or not the scope of the PBGF II program – referred to as the Performance Based *Governance* Program – can be expanded to also include operational funding to Provincial Councils – which would amount to a

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[1] Afghanistan uses the Islamic Solar Calendar.
[2] For example, the UNDP-led ASGP program, which is co-funded by DFID, got a score of 4 only.
[3] See the US Senate Foreign Relations Committee (SFRC) report on 'US Foreign Assistance to Afghanistan', 8 June 2011.
[4] E-mail from SFRC staffers dated 27 July 2011.
[5] The funding to PDCs is development funding, as opposed to the operational funding provided to Governor's Offices. Hence, the amounts involved are much larger indeed, and the procedures and institutional context are more complex.

more modest expansion of scope for the PBGF program than the Provincial Development Fund.

The current funding situation is depicted below. For the time being, USAID has granted TAF a no-cost extension[6], while DFID has kindly agreed to front all of the costs related to the Provincial Governors Fund till 31 October 2011, i.e. for the next three months[7]. USAID has suggested approaching other donors in order to secure additional funding. However, it is obvious that is highly unlikely that even interested donors (such as AusAID) will be able to commit to the program and finalize an agreement under the remaining window of time (i.e. three months). In the worst-case scenario, TAF will have to re-design the program and exclude the proposed Provincial Council Fund from the program budget as well.



[6] The previous cost extension ran till 31 July 2011 only. See Modification No. 7 of the USAID-TAF Cooperative Agreement No. 306-A-00-09-00531-00.

[7] See DFID's Amendment Letter No. 2011/1 dated 31 July 2011.

II – Program Activities

Following the Final Evaluation of the PBGF Pilot Phase (PBGF I)[8], the TAF team immediately began to prepare for the second phase of the PBGF program (PBGF II). These preparations included the creation of handbooks and training materials, recruitment, website construction and preparations for systems development, as well as meetings with donors and the IDLG in order to prepare an 'on-budget' strategy. Program achievements made throughout the reporting quarter are described below.

Handbooks and Training

Handbooks for all three of the proposed components of PBGF II (PGF, PDF and PCF) were completed during the reporting quarter. PC and PDF handbooks were adapted from the PBGF I handbook and all three versions have been published in English, Dari and Pashto.

The handbooks outline PBGF II procedures and reflect the replacement of the six pre-approved spending categories used for PBGF I by the expenditure codes used by the Government of Afghanistan as specified in the Ministry of Finance's Chart of Accounts (COA). Indeed, in the second year of funding, PGOs are required to submit integrated budgets including not only the PBGF II funds but also the regular MOF funding they receive. However, because the PBGF system of disbursements will continue to be considerably simpler than the government system, the approach taken is to be described as a 'one budget – two systems' approach.

PBGF II staff and their IDLG counterparts were briefed on the new operational procedures contained in the component handbooks, and disbursements to PGOs were resumed on 23 July (i.e. the first day of the month of *Asad*[9]). TAF is currently organizing additional briefings and trainings on the new procedures for Governors and PGO officials in order to make sure the new procedures are well understood.

The development of training materials for the Provincial Development Fund have been halted as a result of the SFRC recommendation to scrap this program component. Preparations for the Provincial Council Fund – notably the preparation of the evaluation mechanism (PCF M&E matrix) and training materials – are still ongoing. The IDLG, TAF and – most importantly – the Provincial Councils hope there will be sufficient funding available to also start disbursements to Provincial Councils if and when USAID would be in a position to commit to the PBGF II program.

[8] See the Final Evaluation report as shared with the Steering Committee (15 April 2011).

[9] Asad is the fifth month of the (Afghan) financial year. The late resumption of disbursements is entirely due to the uncertainty in regard to the funding of the program, which dragged on for much longer than any of the stakeholders in this program could have expected.

Resumption of Disbursement to PGOs

Disbursements to PGOs were resumed on 23 July (i.e. the first day of the month of *Asad*). In line with the trilateral MOUs which were signed between the IDLG, donors and TAF, these disbursements take into account the incentive mechanism (increase/decrease of funding according to performance). The scores, based on which the incentive mechanism is applied, are given below[10].

Scores and Incentive Mechanism for Governors

Minus 25% (PBGF II) = US$18,750/month

US$37,500/month (6 x US6,250) budget shift from poor to top performing provinces (i.e. approx. 5% of the total budget)

Plus 25% (PBGF II) = US$31,250/month

Province	1st Quarter	Mid-Term	Final	*Average*
Sare Pul	1.5	6.8	5.8	***4.7***
Logar	4.6	4.9	0.0	***4.7***
Panjsher	5.1	4.5	5.5	***5.0***
Kapisa	4.8	4.3	5.8	***5.0***
Parwan	6.0	3.4	6.4	***5.2***
Baghlan	5.4	3.6	7.1	***5.4***
Laghman	4.4	6.1	6.1	***5.5***
Samangan	5.2	5.7	6.4	***5.8***
Urozgan	3.8	5.8	6.0	***6.0***
Herat	7.2	6.5	5.7	***6.1***
Nooristan	6.4	0.0	5.8	***6.1***
Daykundi	5.9	5.8	6.8	***6.3***
Nangarhar	5.1	7.3	6.9	***6.4***
Kandahar	5.8	7.5	6.3	***6.5***
Balkh	7.2	5.9	6.5	***6.5***
Paktia	6.0	7.5	6.5	***6.7***
Badakhshan	1.0	0.0	6.7	***6.7***
Jawzjan	6.0	6.6	6.9	***6.7***
Kunduz	5.9	5.7	6.7	***6.7***
Faryab	5.5	6.8	8.0	***6.8***
Kabul	6.3	8.3	5.9	***6.8***
Ghor	5.2	6.1	6.8	***6.8***
Takhar	6.3	7.0	7.3	***6.8***
Farah	6.6	7.7	6.8	***7.0***
Helmand	7.3	7.3	6.9	***7.2***
Ghazni	4.9	7.4	7.0	***7.2***
Khost	7.2	7.8	6.7	***7.2***
Badghis	6.9	7.6	7.2	***7.2***
Zabul	6.9	7.8	7.7	***7.5***
Nimroz	6.9	7.8	7.3	***7.5***
Kunar	7.6	8.5	7.0	***7.7***
Paktika	8.1	8.1	7.4	***7.9***
Wardak	8.1	7.9	7.8	***7.9***
Bamyan	7.6	8.1	8.2	***8.0***
Average (μ)	**5.8**	**6.6**	**6.7**	***6.4***
STD (σ)	**1.6**	**1.4**	**0.7**	**0.9**
			μ - σ	**5.5**
			μ + σ	**7.3**

Note: The scores in grey mean are not taken into account in calculating the average score. This is because the Governor changed and performance of the previous Governor is not taken into account when calculating the total score.

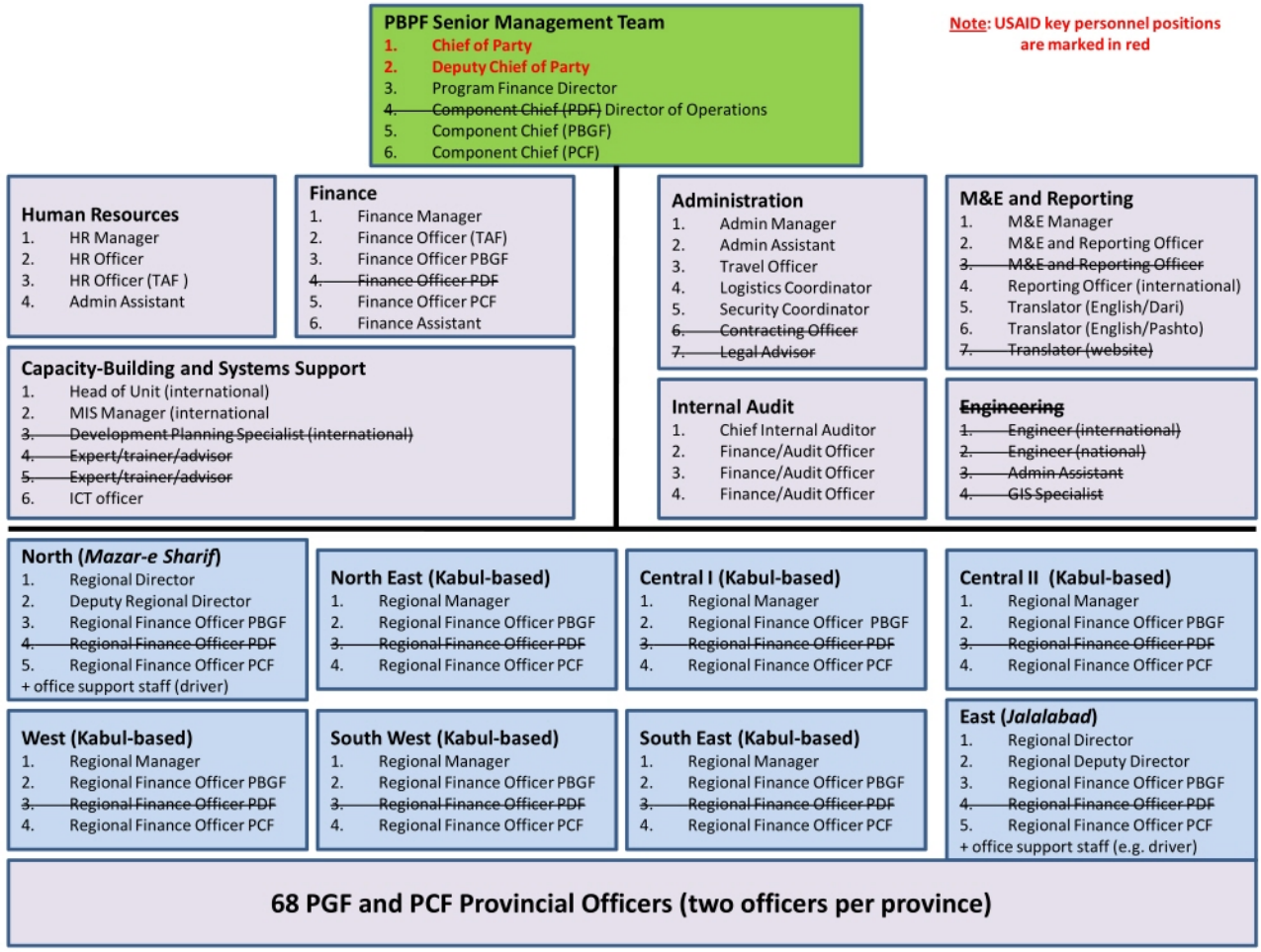
Recruitment

Recruitment for PBGF II was halted as a result of the SFRC's hold on the program. As a result of the uncertainty on the program, TAF has lost some of its most valuable staff (e.g. audit team

[10] It can be noted that, because of the change of Governor in Kapisa, funding for the Kapisa PGO was resumed at the same baseline level (i.e. 25,000 USD/month). There is currently no provincial officer in Panjsher and, hence, funding could not be resumed in that province.

members and key finance staff). Since the SFRC has released its hold on the program, TAF has started hiring new staff.

All senior management team (SMT) positions have been filled. The Governors' Fund and (preparations for) the Provincial Council Fund are led by Afghan nationals, the so-called Component Chiefs: [redacted] (PGF) and [redacted] PCF). The position of Component Chief of the Provincial Development Fund (PDF) – for which TAF had appointed a very competent PBGF I manager [redacted] – is no longer there. Mr. [redacted] is now the Afghan Director of Operations and heads the PBGF administrative and HR units, together with the Deputy Chief of Party [redacted]. The organogram below shows the functions which have been scrapped as a result of the decision to not go ahead with the PDF component of the PBGF II program.



The recruitment for new Regional Managers and new Regional Finance Officers is close to completion, with only a few vacancies remaining. The remaining gaps in the finance, audit, admin, HR and M&E units will also be filled in the coming months. Recruitment for Provincial

Council Fund staff will begin when and if funding for the PCF component is secured.

It should be noted that security conditions in many provinces have deteriorated significantly. This will undoubtedly make it somewhat more difficult to recruit provincial officers for some provinces and – more importantly – to keep them motivated in the field.

Websites and System Development

PBGF I used a publicly accessible website in order to facilitate information-sharing and public scrutiny of the Governors' use of PBGF funds. A similar system will be employed for the PBGF II program. Website redesign for the Governors' Fund and development of Provincial Council Fund and Provincial Development Fund websites were completed by Netlinks, the vendor which was awarded the website development contract for PBGF I. PBGF II websites are currently operational and ready to be launched. Government domain names (www.xxx.gov.af) were acquired from the Ministry of Communication and Information Technology (MCIT) for each of the program components. The Foundation has also obtained a Google Not-For-Profit license in order to use the *Google Docs* application for website content management, which is expected to increase stakeholders' ability to easily share narrative and financial reports, calendars, and program updates.

The TAF PBGF system has also finalized the Request for Proposal to develop a financial system for PGOs and PCs and this RFP was tendered in June 2011. Out of the four short-listed/eligible ICT providers, two submitted a proposal and their bids are currently being analyzed. However, it is not clear if TAF should go ahead with the pilot projects in Bamyan and Helmand under the current funding agreement.

The 'On-Budget' Agenda

The PBGF Team has worked on a PBGF Transition Plan – or Roadmap – to bring the PBGF program on the national budget of the Government of Afghanistan, and the Ministry of Finance has been included in the PBGF program governance structure as an equal partner to the IDLG. The Roadmap offers a strategy, a methodology and a time-line to bring the program on budget over the PBGF II programming period. It also links the capacity-building component of the PBGF II program with the recommendations of the January, 21 2011 PWC audit of the IDLG.

However, some of TAF's recommendations to the IDLG – notably those in regard to the change management team and its reporting lines – were not accepted by the IDLG and, hence, there is no agreement as to the exact modalities of the 'on-budget' plan as yet. These and other topics will need to be discussed in the next PBGF Steering Committee meeting.

END

The Asia Foundation

The Performance Based Governor's Fund (PBGF)

Bi-Weekly Activity Report

Date: 2 February 2010

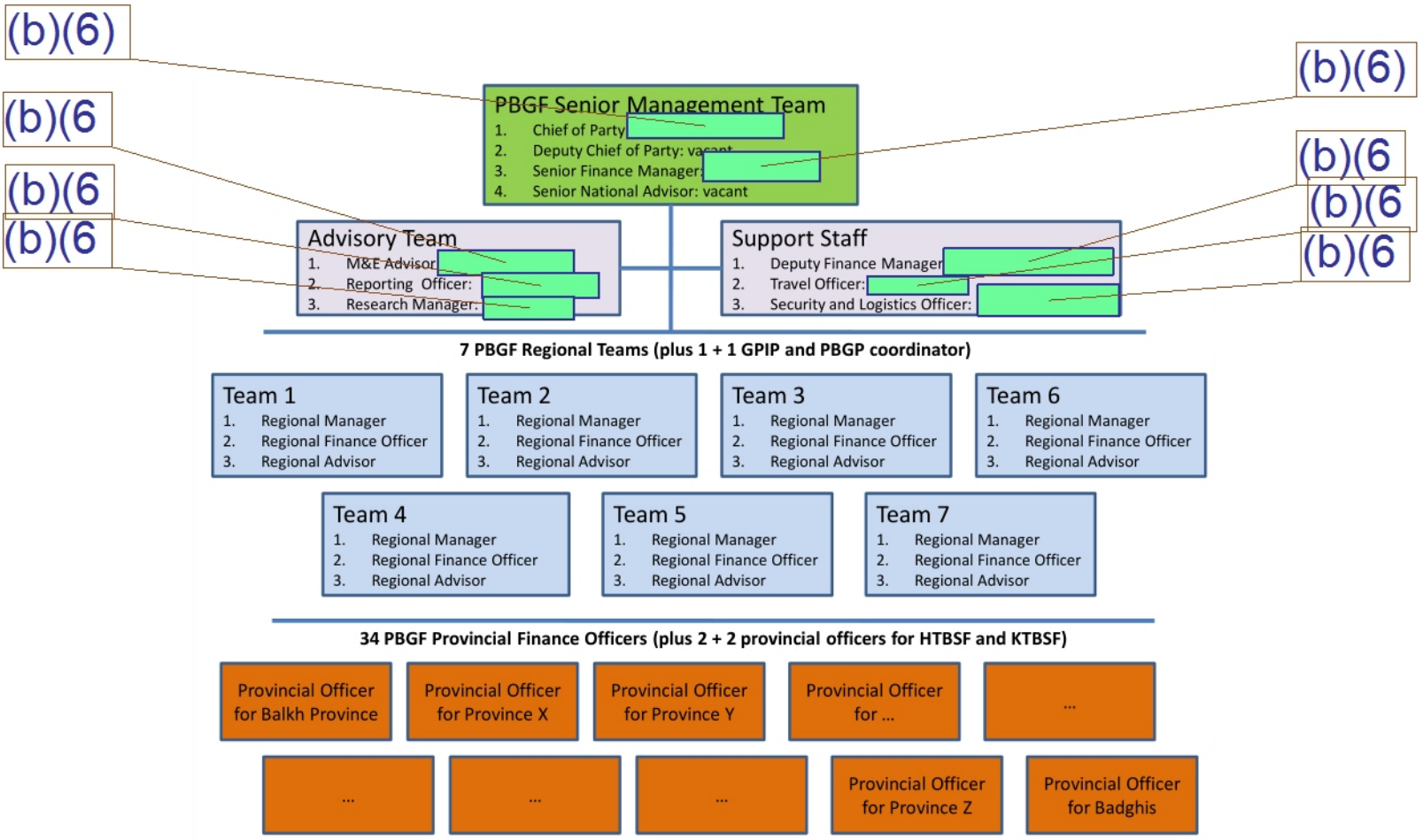
1. Status of recruitment and of the project

The seven regional teams (regional manager + regional finance officer) are all in place and operational and have started the PGO training and assessments in six provinces simultaneously starting from 17 January onwards (in line with the project schedule as submitted to donors). They are currently finalizing training and assessments in another four provinces as per the training plan below. Hence, 10 provinces have been covered or are being covered as we write. As mentioned in the previous report, the training, baseline assessment and budget initialization takes one week per province (including travel). Therefore, the training schedule encompasses six (or seven) weeks (4 to 7 provinces are covered simultaneously every week), after which the PBGF funds disbursements will start simultaneously in all 34 provinces.

Many candidates for regional advisors have been interviewed and, so far, three candidates have been selected. The team also still needs to find a provincial finance officer for Farah, Bamyan, Paktika, Nimroz, Helmand, Uruzgan and Ghor (so 7 provinces), but – for some of these positions – suitable candidates have been identified and negotiations are on-going. In addition, a strong GPIP coordinator for Helmand has been selected and will start working in Helmand from mid-February onwards and, hence, be able to assist in selecting two suitable finance officers for Helmand (one for the PBGF fund and one for the HTBSF fund). For Kandahar, both the PBGF and KTBSF finance officer have been selected and recruited. The Kandahar coordinator position has not been filled yet. The senior national advisor position has also not been filled as yet. In addition, TAF management has not been able to find a suitable replacement for the DCOP so far. The M&E manager has joined on 1 February and is currently harmonizing reports and questionnaires. Support staff such as the travel officer and the security and logistics coordinator is in place and facilitates travel and logistics indeed. The PBGF management team is grateful to USAID for having authorized the use of US Embassy/USAID Air flights for travel. The PBGF travel officer will be briefed on this in the coming week.

In short, the PBGF team is fully operational, even if not all positions have been filled. The organogram is shown below.

The central PBGF bank account has been opened and the provincial PBGF bank accounts will be opened over the course of this and the following weeks. Those provincial officers who have been selected and recruited already (so 27 out of 34) have been trained over the course of last week, and they are receiving further training and instructions this week. Most of them will be joining their duty stations next week and/or the week after.



2. PGO training and baseline assessment, and budget initialization

The actual schedule for the PBGF training, baseline assessments and budget initialization in the provinces is reflected below. So far, the following ten provinces have been covered, or are being covered as we write: Kabul, Nangarhar, Balkh, Logar, Laghman, Faryab, Baghlan, Kunar, Kapisa, Panjshir. The regional managers in charge of these provinces are in the process of finalizing their reports. The M&E manager is organizing the formatting and makes sure all provincial reports are equally complete and consistent. The quarterly reporting schedule – as it stands now – is given below:

		Start Date	End Date
	PBGF Fully Operational	*March 21, 2010*	*March 20, 2011*
1	**Training and Base-Line Assessment**	17 January 2010	March 19, 2010
2	**First Quarter Evaluation (Q1)**	June 21, 2010	July 23, 2010
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4	**Third Quarter Evaluation (Q3)**	December 21, 2010	January 21, 2011
5	**Q4 Evaluation and Final PBGF Assessment**	March 20, 2011	April 22, 2011

In all of the provinces that were visited, the teams were able to meet the Governor and all relevant PGO staff, and to successfully conclude their mission, which includes drafting a budget so PBGF disbursements can effectively start end of February/beginning of March. The visits were facilitated by an introductory letter from the IDLG and the IDLG SCU was invited to join the training and assessment teams. The program was received

with a lot of enthusiasm in all of the 10 provinces. All provincial stakeholders seem to be delighted with the design of the program and the hands-on approach of the PBGF team, and the reactions to the program enthuse all who are involved. Because of logistic difficulties, the PBGF management team does anticipate it might *not* be possible to conclude all assessments and training by the end of this month, so the travel and training schedule might spill over into the first week or weeks of March. In addition, the training was temporarily halted as a result of the decision to re-discuss of the text in the PBGF Handbook. These problems have been resolved: the Handbook is currently being modified as requested by the IDLG and donors, and the teams have been instructed *not* to introduce or distribute the Handbook any further until the new version is available (and surely *not* to discuss or present any of the paragraphs that are currently being changed in the Handbook). The PBGF management team will try to revert to the original schedule by compressing the training and assessment schedule even more.

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Region	Province	Regional Manager	17-23 Jan	24-30 Jan	1-6 Feb	7-13 Feb	14-20 Feb	21-27 Feb
North	Balkh							
	Samangan							
	Jowzjan							
	Faryab							
	Sar-i-Pul							
	Baghlan							
	Kunduz							
	Takhar							
	Badakshan							
Central	Kabul							
	Kapisa							
	Parwan							
	Wardak							
	Logar							
	Panjshir							
	Bamyan							
	Daykundi							
East	Nangarhar							
	Paktika							
	Nuristan							
	Laghman							
	Kunar							
	Paktya							
	Khost							
South	Ghazni							
	Nimroz							
	Helmand	PBGF COP + GPIP-C						
	Kandahar	PBGF COP + PBGP-C						
	Uruzgan							
	Zabul							
West	Hirat							
	Badghis							
	Ghor							
	Farah							

The annex of this report shows some typical pictures (just as an example) of the workshop in Faryab. The other teams have come back with similar pictures. The reports and the pictures all demonstrate wide participation and commitment to the program from the provincial government and provincial stakeholders.

3. The PBGF Launch Events and international media attention

- The PBGF program was officially launched by HE [redacted] in the Government Media and Information Center (GMIC) on Wednesday 20 January, in the presence of Ambassador Eikenberry, the British Head of Mission (Tom Dodd), the Belgian Chargé d'Affaires (Bart De Groof) and prominent members of the Board of the Asia Foundation (including [redacted]). Donors, the IDLG and the Asia Foundation signed trilateral MOUs at the occasion, which detail the commitments of all of the three partners in the PBGF program (Government of Afghanistan, donors and the Asia Foundation). This launch event was broadcasted on most – if not all - national television channels and received wide media attention nationally.
- In addition, prominent speakers such as Gordon Brown (UK Prime Minister) referenced the program in their speeches at the London Conference and speak about it as a major advance in the area of SNG. HE [redacted] spoke at length about the program.
- The IDLG intends to host an additional Launch Event in Kabul in the last week of February (after the PRT Conference in Kabul) with provincial governors and – possibly – in the presence of President Hamid Karzai. TAF will assist closely and provide support as and if requested, as foreseen in the Cooperative Agreement.

4. Coordination with other stakeholders

- The cooperation between TAF and the IDLG is very close: PBGF staff interact with their IDLG counterparts on a daily basis, in line with the objective to build IDLG capacity through mentoring and learning-by-doing (instead of formal training sessions), and also in light with the objective to transfer the PBGF program to the Government of Afghanistan – through the Ministry of Finance and the IDLG – if and when the program would be funded for the next years also. The leadership shown by the IDLG on this program is impressive and very encouraging.
- The TAF PBGF management team has had coordination meetings with all relevant stakeholders, including the UNDP's ASGP program staff (21 January) and – importantly – with all of the managers of the other sub-national governance program. The TAF PBGF management team appreciates the coordination meeting on 24 January which was hosted by USAID and CIDA, and got a follow-up as participants started sharing assessments, M&E approaches, and also agreed to discuss and coordinate salary and recruitment issues among the various stakeholders.

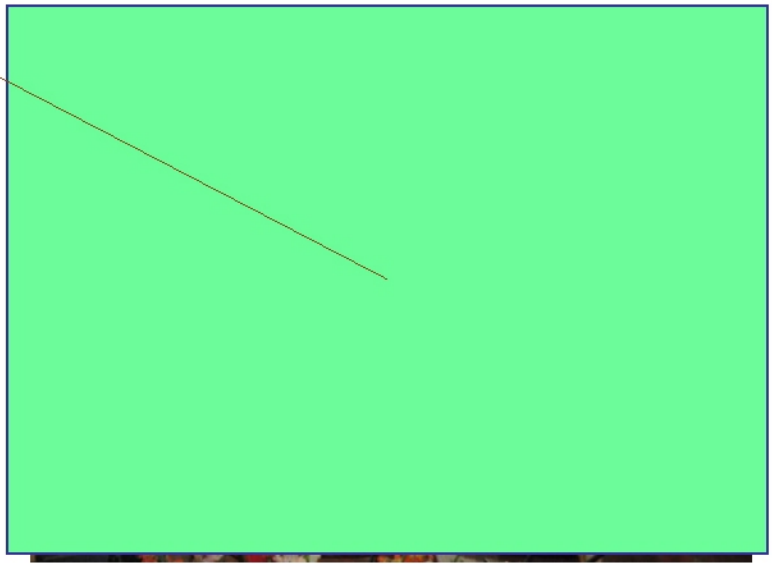
For more information, please contact:

[redacted] Chief of Party – PBGF
E-mail: [redacted]
Mobile [redacted]

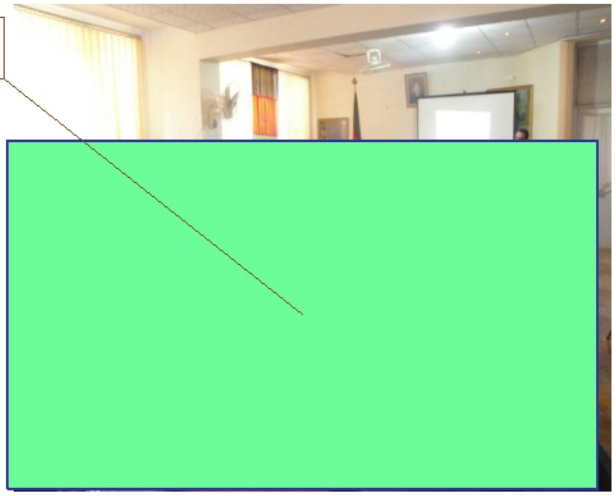
Annex: Pictures from the workshop in Faryab, showing (clock-wise):

(a) The opening session by the Governor of Faryab
(b) The presentation of the PBGF program by the PBGF Regional Manager
(c) A presentation of operational needs and current expenditures by a PGO official
(d) The budget preparation workshop
(e) The discussion on the draft baseline assessment

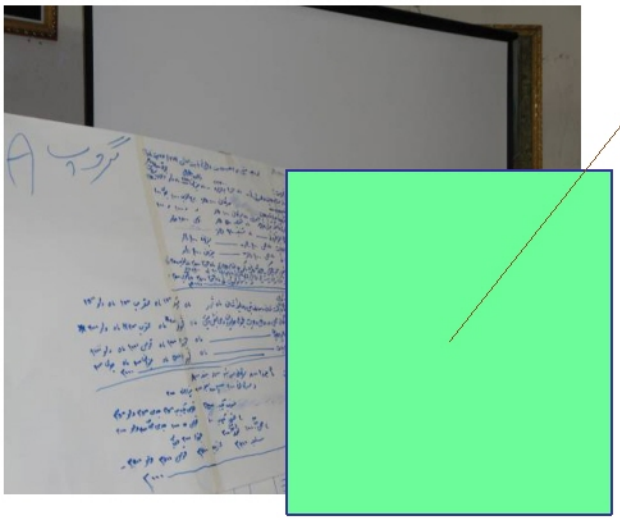
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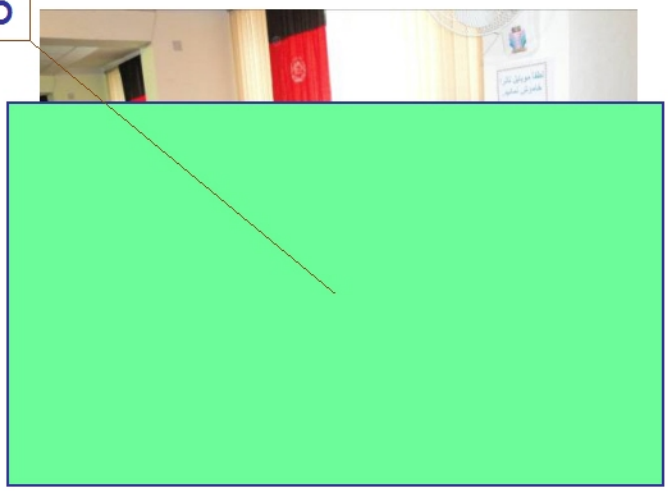
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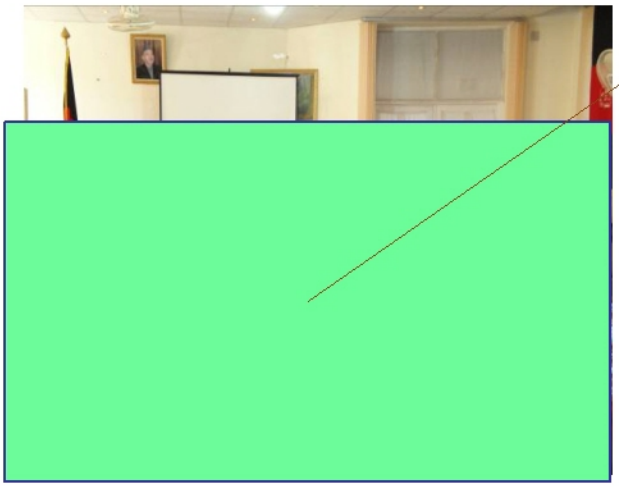
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The Asia Foundation

The Performance Based Governor's Fund (PBGF)

Activity Report

Date: 10 February 2010

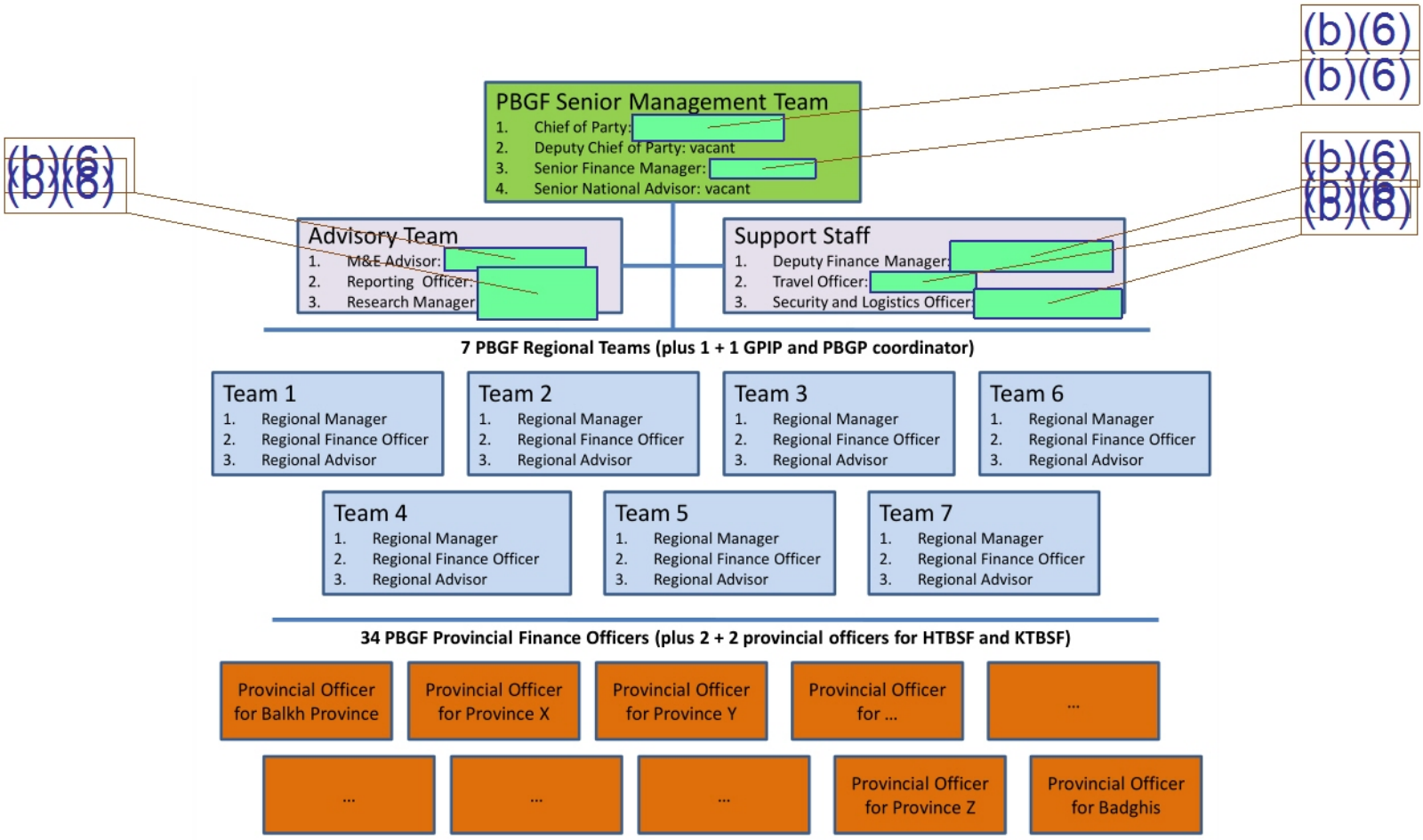
1. Status of recruitment and of the project

The seven regional teams (regional manager + regional finance officer) are all in place and operational and have started the PGO training and assessments in six provinces simultaneously starting from 17 January onwards (in line with the project schedule as submitted to donors). 14 provinces have been covered so far. As mentioned in the previous report, the training, baseline assessment and budget initialization takes one week per province (including travel). Therefore, the training schedule encompasses six (or seven) weeks (4 to 7 provinces are covered simultaneously every week), after which the PBGF funds disbursements will start simultaneously in all 34 provinces.

Many candidates for regional advisors have been interviewed and, so far, three candidates have been selected. The team also still needs to find a provincial finance officer for Farah, Paktika, Nimroz, Helmand, Uruzgan and Ghor (so 6 provinces) but suitable candidates have been identified and negotiations are on-going. In addition, a strong GPIP coordinator for Helmand has been selected and has joined his duty station in Lashkargah. Hence, he will be able to assist in selecting two suitable finance officers for Helmand (one for the PBGF fund and one for the HTBSF fund). For Kandahar, both the PBGF and KTBSF finance officer have been selected and recruited. The Kandahar coordinator position has not been filled yet. The senior national advisor position has also not been filled as yet. In addition, TAF management has not been able to find a suitable replacement for the DCOP so far. The M&E manager has joined since 1 February and is currently harmonizing reports and questionnaires. Support staff such as the travel officer and the security and logistics coordinator is in place and facilitates travel and logistics indeed. The PBGF management team is grateful to USAID for having authorized the use of US Embassy/USAID Air flights for travel.

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2. PGO training and baseline assessment, and budget initialization

The actual schedule for the PBGF training, baseline assessments and budget initialization in the provinces has been enclosed. So far, fourteen provinces have been covered. The regional managers in charge of these provinces are in the process of finalizing their reports. The M&E manager is organizing the formatting and makes sure all provincial reports are equally complete and consistent. The quarterly reporting schedule – as it stands now – is given below:

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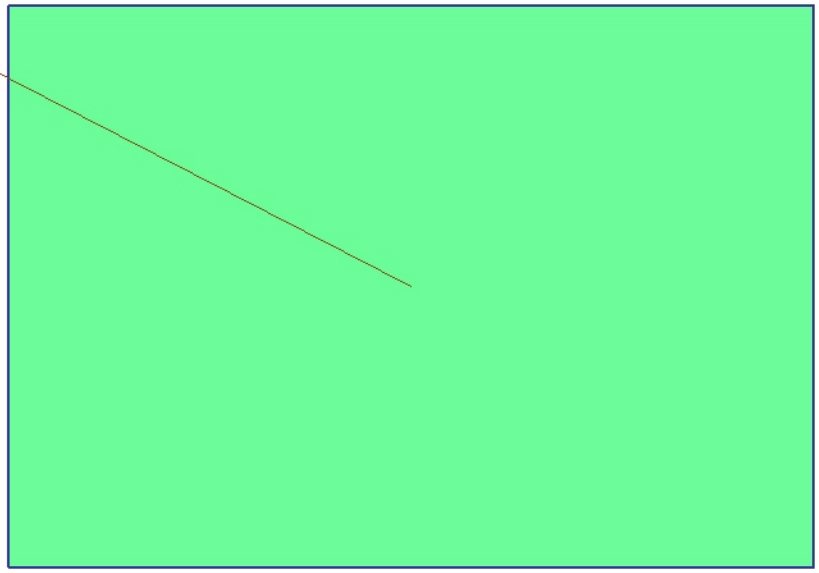
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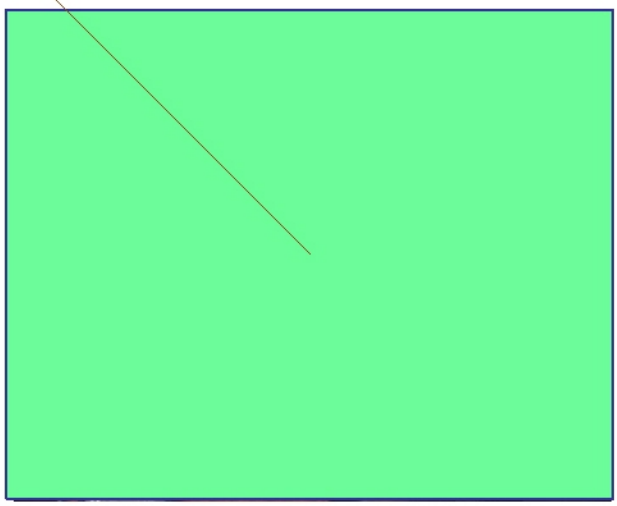
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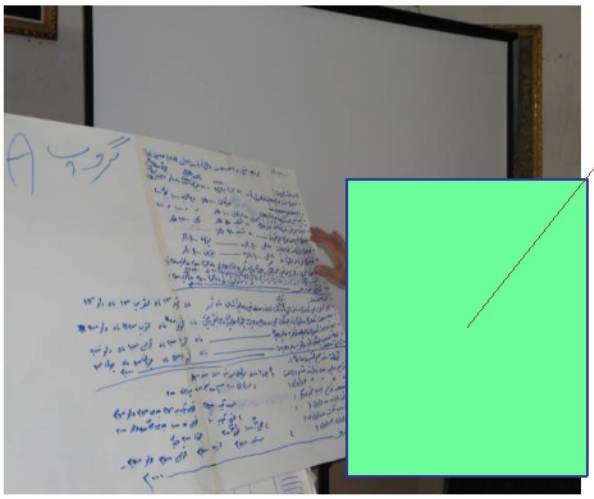
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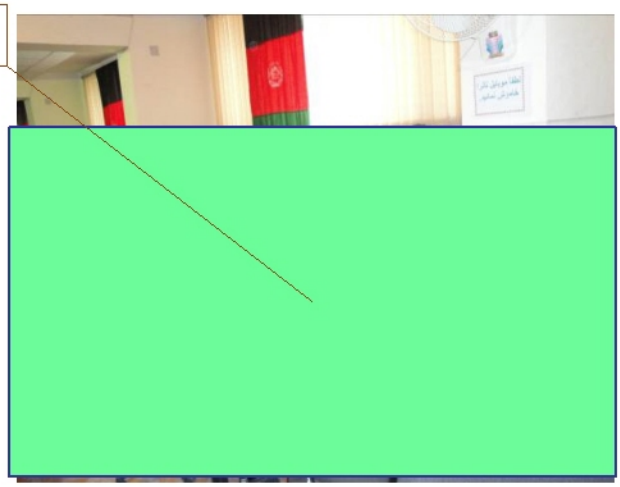
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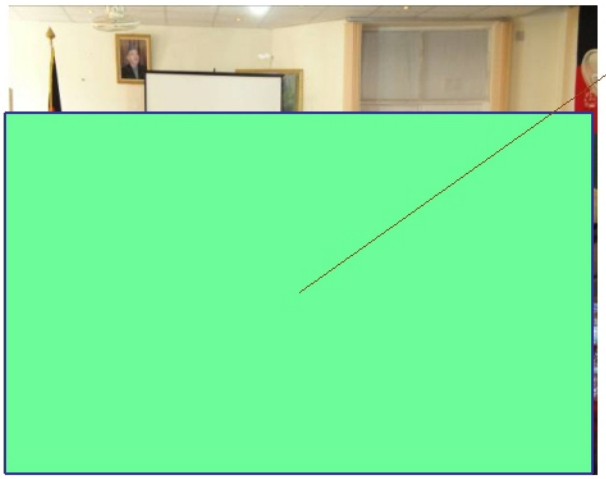




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The Asia Foundation

The Performance Based Governor's Fund (PBGF)

Bi-Weekly Future Activity Report

Date: 28 February 2010

Provincial Training, Budget Initialization and PBGF fund disbursements

[See detailed Staff Travel and Training Plan]

- As of date (28 February 2010), 25 provinces got the required PBGF training and so 25 provincial budgets have been detailed. These provinces are ready to receive the PBGF funding from 21 March onwards.
- In the coming week (first week of March), the training will be finalized in 2 other provinces: Daykundi and Kandahar. During that same week, training will also be started in another 5 provinces: Helmand, Ghazni, Khost, Uruzgan and Badghis.
- In the week after (7-13 March), the remaining 2 provinces (Zabul and Sar-e Pul) will also be covered.
- The IDLG will organize an additional Launch Event for all Governors as part of the national PRT Conference in Kabul (13-18 March 2010)
- Target date for PBGF fund disbursements is and remains 21 March 2010. This target date coincides with the start of the Afghan financial year (1389). The project team is confident this target date will be met.

Other activities

- Bids were invited for website development and NetLinks was selected for PBGF website development. Work on the website will start as of today. The final delivery date is mid-April (7 weeks of development time) but NetLinks will compress the schedule and promised to already deliver an operational website end of March.
- The PBGF Management Team will call all provincial finance officers to Kabul during the week of 13-18 March for final training and instructions in order to ensure a smooth start of the program.
- Negotiations with the fourth and last donor (CIDA) joining the PBGF program are ongoing. The only issue standing in the way of financial closure is the shared-cost approach which will be taken for financial reporting to donors. Anyhow, the program is funded up to 85% now with the US, UK and Belgian contribution and so that is sufficient to fund the program for the first 10 months of the (Afghan) financial year 1389.

The Asia Foundation

The Performance Based Governor's Fund (PBGF)

Program Highlights May 2010

Date: 31 May 2010

- The first monthly reporting cycle went well: all financial reports for the first month of PBGF disbursements (*Hamal*, 21 March – 20 April) have been uploaded on the website, and all new budgets for this month (Saor, 21 April – 21 May) and the coming month (Jaoza, 22 May – 21 June) can be consulted on the website as well (www.pbgf.gov.af). PBGF disbursements during the first month of the program (*Hamal*) totaled US$216,000. The financial reports for the second month show a rapid pick-up of fund disbursements. An analysis of these disbursements, category per category, has been sent to donors. This analysis is currently being GIS-mapped.
- Provincial Governor's Offices were encouraged to send small success stories, and these success stories can also be found on the PBGF website. A number of Governors send appreciation letters demonstrating the value of the program. USAID regional platforms and USAID FPOs are following up the program closely, as evidenced by their interaction with the PBGF Team.
- TAF, the IDLG and donors gathered on 11 May to discuss program progress. This was the 4th Steering Committee meeting since start-up. They discussed the first quarterly PBGF report as well as the baseline assessment which had been carried out by the PBGF team during program roll-out. All parties involved expressed satisfaction with progress so far and congratulated the TAF team for successful roll-out. One of the decisions taken was that the PBGF team would set up a permanent coordination mechanism with the IDLG so they can co-manage the program. This has happened in the meanwhile.
- Not only the regional teams but the PBGF management team as well visited several provinces in order to ensure the continued success of the program.
- The team is currently preparing for the first quarterly evaluation. The modalities for the first quarterly performance evaluation have been finalized now, and all regional teams will attend an M&E workshop on 14 June where they will be trained on how to perform the performance evaluation, which will start from 22 June onwards.

Performance Based Governors Fund

Fourth Quarterly Narrative Report

July – September 2010



Submission Date: **25 November 2010**

USAID
FROM THE AMERICAN PEOPLE

UKaid
from the Department for International Development

KINGDOM OF BELGIUM
Federal public service
Foreign Affairs,
Foreign Trade and
Development Cooperation

The Asia Foundation

USAID/Afghanistan CA
No. 306-A-00-09-00531-00

Terms of Reference

USAID/Afghanistan Cooperative Agreement section A.5, par 2 (Program Reporting): "The performance reports are required to be submitted quarterly and shall be in keeping with the program description."

The first quarterly report covered November-December 2009 and was submitted on 24 February 2010, together with the financial report. It documented progress on assembling the program team and on discussions with donors (USAID, DFID, Belgium and CIDA at the time). The second quarterly report covered January-March 2010 and was submitted on 4 May 2010. It was a report on the program start-up, as *actual* PBGF disbursements commenced on the 21st of March 2010 only, i.e. the start of the Afghan financial year. The third quarterly report covered the first quarter of actual PBGF disbursements to Governors/PGOs (21 March – 22 June 2010) and was submitted to donors on 10 August 2010, together with the results of the first monitoring and evaluation exercise (scoring and ranking of Governors/PGOs), which was an evaluation of how Governors/PGOs had actually used the PBGF funds during these first three months.

This report is the fourth quarterly report. Besides providing a narrative against the program objectives and tasks, it also includes the PMP data for USAID on Strategic Objectives (SOs), Program Objectives (POs) and Intermediate Results (IRs)[1].

It is a *narrative* report only: the quarterly *financial* reports have been submitted separately to donors[2], based on the common cost-sharing template.

Cover and lay-out of this document are in accordance with the Branding/Marking Plan submitted to USAID. This report will also be shared with the other PBGF donors (DFID and Belgium) and with the Independent Directorate for Local Governance (IDLG), which is The Asia Foundation's government counterpart on the program.

TAF does not share this report with third parties or other external stakeholders. Of course, donors (and the IDLG) are free to circulate and publish this report as per their rules and regulations.

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[1] For the previous quarter (first quarter of PBGF disbursements), this PMP data was submitted separately. It should be noted that TAF will submit a separate report to DFID according to the DFID logframe, cf. the requirement to submit a six-monthly report on the Governors' Performance Improvement Program (GPIP) according to the DFID logframe. This separate report will also include reporting on the Helmand Transitional Budget Support Fund (HTBSF). The HTBSF is the *second* component of DFID's GPIP program (PBGF being its first component).

[2] The financial reports for July-August-September 2010 were submitted to USAID and DFID on 27 October. Belgium will receive a final financial report when its contribution will have been fully used, in line with its own financial reporting requirements and the payment schedule as specified in the Agreement.

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List of Acronyms

ACSS	Afghanistan Civil Service Support Program (USAID-funded)
ALGFDP	Afghanistan Local Government Facilities Development Program (formerly ASP)
ARTF	Afghanistan Reconstruction Trust Fund (trust fund for the GoA, both for development programs as well as for operating costs; managed by the World Bank, the ADB, the IDB, and the UN)
ASGP	Afghanistan Sub-National Governance Program (UNDP)
ASI	Afghanistan Stabilization Initiative (USAID-funded stability program)
ASOP	Afghanistan Social Outreach Program (managed by AECOM)
ASP	Afghanistan Stabilization Program (renamed ALGFDP or – in short - AFP)
CA	Cooperative Agreement (USAID funding instrument)
CBSG	Community Based Small Grants program (USAID-funded)
CDC	Community Development Council (established under NSP)
CERP	Commander's Emergency Response Program (US DoD)
COP	Chief of Party
DCOP	Deputy Chief of Party
DDA	District Development Assembly (established under NABDP)
DDP	District Delivery Plan (IDLG)
GIRoA/GoA	Government of the Islamic Republic of Afghanistan/Government of Afghanistan
GPIP	Governors' Performance Improvement Program (umbrella program for DFID comprising: (i) PBGF and (ii) HTBSF)
HTBSF	Helmand Transitional Budget Support Fund (US$ 37,500/month budget support program for the Helmand Governor; additional to PBGF, Helmand only – funded by DFID)
ICT	Information and Communication Technology
IDLG	Independent Directorate for Local Governance
ISAF	International Security Assistance Force
LGCD	Local Governance and Community Development program (USAID-funded)
M&E	Monitoring and Evaluation
MoF/MOF	Ministry of Finance
MGSPA	Municipal Governance Support Program for Afghanistan (USAID-funded)
NABDP	National Area-Based Development Program (UNDP-MRRD program)
NSP	National Solidarity Program (UNDP-MRRD program)
PAA	Provincial Administrative Assembly (administrative body consisting of all of provincial authorities, chaired by the Governor)
PBGF	Performance Based Governors' Fund (US$ 25,000/month/province budget support program for PGOs)
PC	Provincial Council (elected body)
PDC	Provincial Development Committee (provincial development coordination mechanism consisting of all provincial authorities)
PGO	Provincial Governor's Office
PO/LMPD	Provincial Office (Line Ministry)/Line Ministry Provincial Department
PRT	Provincial Reconstruction Team (civilian-military)
RFA/RFP	Request for Application/Request for Proposal
SCU	Strategic Coordination Unit (IDLG policy unit)
SIKA	Stability in Key Areas (USAID-funded stability program)
SNG	Sub-National Governance
TAF	The Asia Foundation
TORs	Terms of Reference
UNDP	United Nations Development Program

I – Program Achievements

> "The Performance Based Governors' Fund (PBGF) […] will provide *interim* assistance to Governors so they are better able to meet community outreach needs, enhance their relationships with citizens, and improve their overall management capacity." (USAID-TAF Cooperative Agreement (CA), p. 13)

In practice, the PBGF program provides a budget of US$25,000 per month to each of the 34 Governors in Afghanistan, or an annual budget of US$300,000[3]. Hence, the overall budget provided to all 34 provinces of Afghanistan during the PBGF Pilot Phase (one year) is 34 x US$300,000 = 10.2 million US$. The budget can be used to cover both operational expenditures as well as to implement small-scale priority projects (USAID-TAF CA, p. 11). Six pre-approved expenditure categories define all of the allowable spending[4].

The program is a one-year Pilot Program only, or an "interim measure" as mentioned in the summary description of the program in the CA: a second year extension would have to bring the PBGF program on the budget of the Government of Afghanistan.

It is implemented through The Asia Foundation (TAF). TAF's Government counterpart on this program is the Independent Directorate for Local Governance (IDLG)[5]. It is the first donor-funded sub-national budget support program in Afghanistan to be implemented[6] and, despite its small size compared to other SNG programs, the PBGF program is now part of the IDLG's six priority programs[7]. In addition, the program contributes directly to objective of

[3] Unused budget can be transferred from month to month.

[4] The categories are: equipment, refurbishment of public facilities (also referred to as repair and maintenance), ICT, transportation, capacity-building and community outreach. Construction activities are one of the very few activities that are explicitly *not* allowed. In addition, the purchase of vehicles has also been *excluded* from the allowable expenditures (after six months of actual PBGF spending) as a result of an IDLG decision in September 2010 (which went into effect starting from the financial month of *Mizan* (23 September – 22 October), even if they were originally permitted under the 'equipment' category. The IDLG can still grant an exception if needed (e.g. a vehicle for the Baghlan Governor was purchased recently). Finally, anything which resembles salary top-ups or other forms of monetary compensation to Afghan civil servants (*tashkeel* staff) is another significant exception to the 'flexibility' of the funding.

[5] The IDLG is in charge of sub-national policy in Afghanistan. It was created as an independent administration (separate from the Ministry of Interior) on 1 September 2007, and its Director-General, HE Jelani Popal, reports directly to the President Hamid Karzai. Its draft SNG Policy and Workplan was published on 10 September 2008 but approved by the Cabinet end of March 2010 only. It now needs to be implemented. This will require, inter alia, amending a number of existing laws and/or approving a new law on sub-national governance through Parliament. In practice, it is the IDLG deputy DG for Policy, Mr. Barna Karimi, who currently oversees the PBGF program even if, technically speaking, one could argue that the program should come under the IDLG deputy DG for administration and finance.

[6] Others programs – such as the USAID-funded RAMP UP program (Regional Afghan Municipalities Program for Urban Populations), i.e., the successor program to the Municipal Governance Support Program for Afghanistan (MGSPA) – also intend to provide budget support to sub-national entities (municipalities in this case), in some form at least, but are still in a start-up phase.

[7] See, for instance, the IDLG follow-up report to the Kabul Conference: 'Sub-National Governance: The Way Forward' (July 2010). The other strategic SNG programs include, for instance, the UN's ASGP Phase II program (US$ 180 million) and the District Development Plan (DDP), which is led by USAID and DFID as main donors.

the Government of Afghanistan (and the international community[8]) to spend donor money *directly* through Afghan governmental authorities in an effort to build Afghan capacity and ownership.

Hence, it is clear that the program has met with considerable success, and the IDLG has already suggested to (i) scale up the program to also include development funding[9], and (ii) to launch similar programs for other sub-national entities, such as the Provincial Councils[10]. In addition, the IDLG's follow-up report to the Kabul Conference (*Sub-National Governance Policy: The Way Forward*) provides a roadmap and an updated budget for sub-national governance programming over the next three years (2010-2014). The PBGF program is mentioned in this plan as one of the ten components of the new National Program for Local Governance[11]. In this document, the IDLG requests donors to commit funding to the PBGF program for the next three years, although donor funding has currently only been secured for one year[12].

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[8] Cf. the Kabul Conference commitments of the international community.

[9] This could be done through providing a performance-based provincial development fund to the Provincial Development Committees, which are chaired by the Governor. The ideas, as initially floated by the IDLG, mentioned a fund of US$75,000 per month and per province. This would increase the performance-based fund to US$100,000 USD per month and per province (including the current PBGF funding of US$25,000 per month per province). Such 'scale up' would change the nature of the program significantly: flexible funding for operational needs and for community outreach differs significantly from funding developmental work. It also raises the question of long-term sustainability.

[10] One could also suggest a similar program for District Governors and their Office (DGOs), although such program would need to make sure the administrative hierarchical links between the province and the districts are respected. Some Governors have set aside funds for DGOs *within* the existing PBGF program by setting up a system of advances. This can be looked at as a District Govenors Fund within the Provincial Governors Fund. A full-blown District Governors Fund would be difficult to manage, if only because of the sheer number of districts: 364 in total (this number *excludes* the 34 provincial capitals, which are urban districts so – strictly speaking – there are actually 398 districts.

[11] The PBGF program is part of the third sub-component, "Democratic Representation and Civic Education", together with the ASOP program. The first and second sub-component are "Sub-National Policy" and "Institutional Development".

[12] However, it should be noted that DFID has already committed to funding the PBGF program for three years, instead of just one year. The PBGF program is part of DFID's umbrella GPIP program (Governors Performance Improvement Program), which also includes a transitional fund for Helmand province (HTBSF).

Achievements according to the PBGF program task structure

In line with the requirement to write the quarterly report in keeping with the program description (i.e. attachment B of the Cooperative Agreement), the program achievements are described more in detail below following the task structure as mentioned in the RFA/CA (cf. previous quarterly reports). The text below also highlights some recommendations.

Task 1: Selection of Provinces and Securing Funds

The selection of provinces was completed during the start-up phase of the program (November 2009 – March 2010). All 34 provinces of Afghanistan were included for funding, which makes the PBGF program a truly *national* program in Afghanistan[13].

Task 1 also included **securing funds.** As opposed to what was written in the previous quarterly narrative report, TAF will *not* be able to cover the last two months of this (Afghan) financial year, i.e. the months of *Dalw* (21 January – 20 February 2011) and *Hut* (20 February – 20 March 2011)[14]. Hence, TAF now intends to submit an extension request to USAID[15]. If this extension request cannot be approved before the 15th of January, TAF will have to start closing down the program.

If and when the program were to be extended by USAID, TAF assumes DFID will continue to fund 11.6% of the total program costs, in line with its commitment to cover the costs of 4 out of 34 provinces under this program (DFID has already committed to three years of funding under its umbrella GPIP program, which includes PBGF). It should be noted that Belgium has informed TAF it will not contribute to funding a second year of PBGF operations[16]. While Sweden – and some other donors – have expressed an interest in the program, it is obvious that such interest does not reflect a commitment as yet, and that negotiations will probably take months before they can be finalized. Therefore, TAF hopes that USAID will grant this short-term extension request.

It should be noted that the IDLG took the initiative to organize a joint meeting with donors and the World Bank in order to examine whether or not the PBGF program could be funded out of a true multi-donor fund. More in particular, the possibility of funding the PBGF program under the Afghanistan Reconstruction Trust Fund (ARTF) – which, for all practical

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[13] Although it often happens that one or two provinces cannot be covered for a while as a result of human resources problems: it takes time to replace provincial officers who leave their job for better opportunities, and that happens from time to time.

[14] In the end, CIDA decided *not* to fund the PBGF program. Sweden has shown interest in the program but it is obvious time is too short to transform such 'interest' from Sweden or other donors into an agreement.

[15] The extension request will take the program till the end of this (Afghan) financial year, i.e. till 20 March 2011.

[16] In its letter dated 14 October 2010, the Belgian Ministry of Foreign Affairs, External Trade and Development Cooperation authorizes TAF to spend the current contribution till the end of March 2011, which amounts to a no-cost extension, because the end date of the Belgian agreement was aligned with the USAID CA and, hence, was also fixed as 31 October 2010. The date of end of March allows for sufficient time for possible close-out.

purposed, is managed by the World Bank[17] – has been examined. A meeting was organized on 30 August at the IDLG, during which TAF presented a transition scenario[18] which was welcomed by all participants, including the IDLG[19]. All participants agreed it would not be possible to bring PBGF under the ARTF fund during the next financial year (21 March 2011 – 20 March 2012). In addition, the World Bank[20] stated that an ARTF arrangement may not be practical for the PBGF program due to the program's need for flexibility. Finally, the World Bank noted that the ARTF fund is primarily designed to fund investment programs ('reconstruction'), while PBGF only covers operational expenditures and micro-projects/community outreach. The World Bank advised all participants to work with the Ministry of Finance to explore ways of bringing PBGF on budget *for the third year of operations*. In short, the meeting made it clear that any second year extension would also have to be funded through the cost-sharing mechanism as set up by TAF.

Task 2: Briefing/Training of Governors and PGO staff

Briefing/Training of Governors and Provincial Governor's Office (PGO) staff started immediately after the official launch of the program by the Government of Afghanistan and donors in the Government Media and Information Center (GMIC), which took place on 20 January 2010. Briefing/training was completed by mid-March in all provinces, so PBGF disbursements could start simultaneously in all 34 provinces on 21 March 2010, which is the start of the Afghan financial year (i.e. FY 1389[21]) and the date of completion for this task.

Task 3: Distribution of Funds

Under Task 3, TAF committed to "develop and implement a simple interim system to enable Governors to access funds quickly, while also accounting for expenditures in a simple and transparent manner." (USAID-TAF CA, p. 15) Key subtasks included the development of a Handbook, the preparation of a budget with the PGOs, as well as "detailed" financial and procurement procedures and "comprehensive" training materials to explain these rules and procedures to the Governor and provincial staff.

The previous quarterly reports detail how TAF has delivered on all of these tasks. Provincial budgets and expenditure reports – as well as other information – can be accessed through

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[17] The ARTF is actually being co-managed by the World Bank, the Asian Development Bank (ADB), the IDB, and the UN, and, of course, it's the donors who take the real decisions.

[18] TAF, "Bringing PBGF on Budget: Why, How and When?", 30 August 2010.

[19] While there was no explicit endorsement, no comments were received, and donor representatives commented positively on the presentation. This transition scenario will be detailed further in the text.

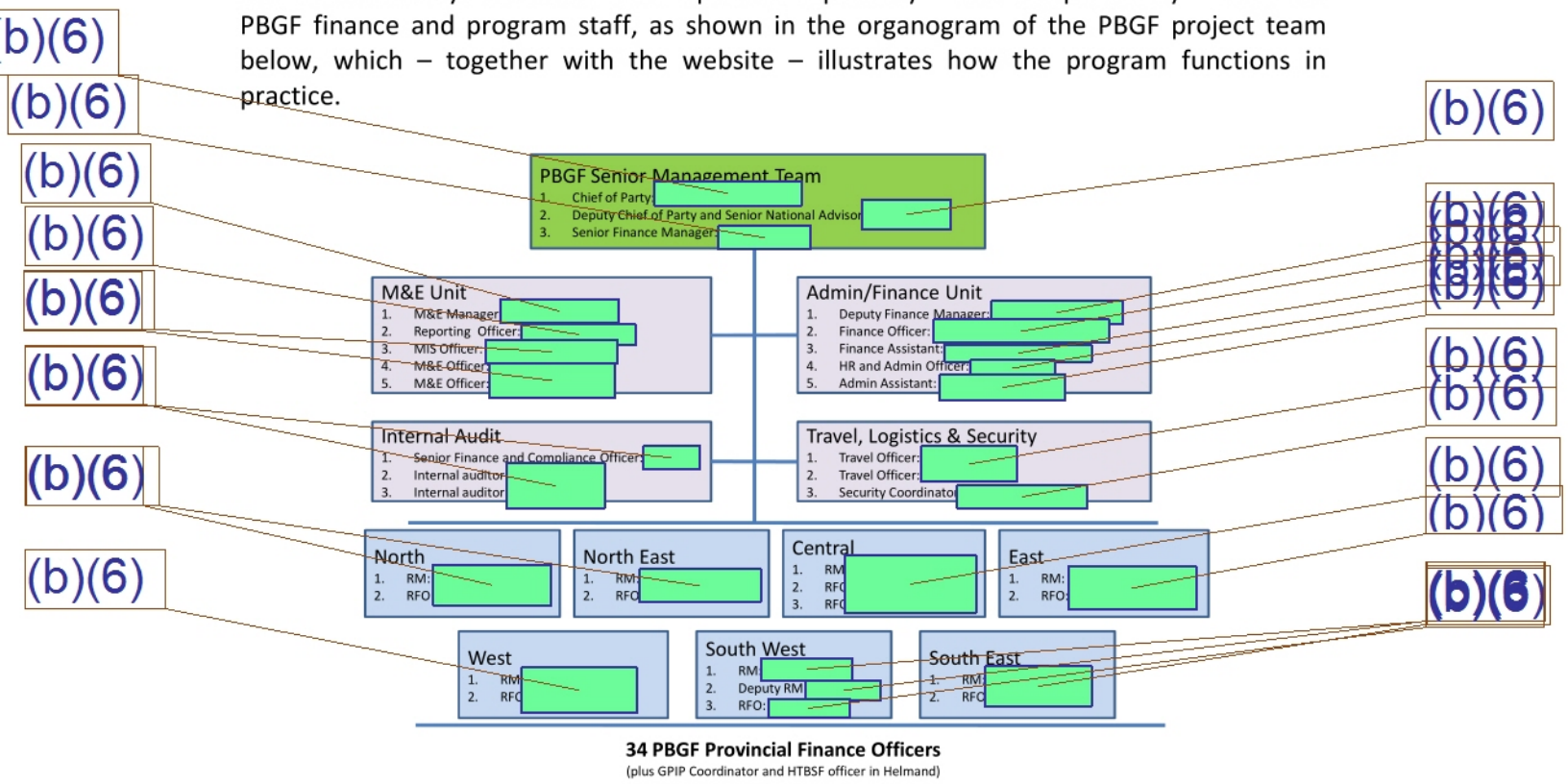
[20] The World Bank was represented by the World Bank's Governance Advisor in Afghanistan: Mr. Richard Hogg.

[21] The Afghan financial year coincides with the Afghan Solar Year calendar, which starts on 21 March (the Afghan New Year or *Naoroz*), and ends on 20 March. The next financial year 2010-2011 is the year 1389 according to this Islamic calendar. This synchronization will also ease future integration of the PBGF program into the Government of Afghanistan (GIRoA) system.

the website and PBGF document management system (www.pbgf.gov.af)[22]. The quality of the program took a big leap forward when TAF decided, after three months of actual PBGF spending, to publish *all* of the financial details on the password-protected side of the website (including bank and cash books, all of the detail of the financial transactions, as well as the status of all advances made)[23]. This allows donors, and the IDLG, to do their own detailed audit and control on the program.

The PBGF Handbook – which details the above-mentioned financial and procurement procedures – was adapted and revised in September 2010 to take into account the 'lessons learnt' after the first evaluation of the program, and all procedures (including adherence to the monthly reporting cycle) are working properly now.

In addition, TAF has also established a PBGF audit team in order to ensure full transparency and accountability. This audit team operates separately – and independently – from the PBGF finance and program staff, as shown in the organogram of the PBGF project team below, which – together with the website – illustrates how the program functions in practice.



[22] TAF provided donors and the IDLG usernames and passwords on 22 March 2010, through a confidential e-mail. TAF manages usernames and passwords as organizational usernames and passwords: it is up to the donor (and IDLG) to decide how to share their username and password within their organization.

[23] This decision took effect from the financial month of *Asad* onwards (23 July – 22 August).

Task 4: Tracking, Reconciliation and Evaluation of Expenditures

The PBGF team has established a monthly financial reporting cycle, under which the PGOs (with the help of the TAF provincial finance officer) have to submit the accounts of the previous month, as well as the detailed budget for the next financial month, two weeks after the start of each financial month. As mentioned above, the financial reports – which track and reconcile expenditures – are then checked and verified, before they are posted on the PBGF website[24].

TAF also did a baseline assessment and a detailed evaluation of the first quarter of PBGF disbursements, as per the PMP which was submitted to USAID, and as fine-tuned by TAF and the USAID AOTR in mutual agreement[25]. This evaluation, which was submitted to donors in August 2010[26], has also been published on the PBGF website and produced a salutary effect on the program: all Governors now clearly understand this is a performance-based program and are conscious of their current ranking. More importantly, they are very keen to improve their final ranking under the program. This first evaluation covered three months of actual PBGF disbursements (21 March 2010 – 21 June 2010) and allowed Governors and their Office to correct their course, if needed.

The final ranking will be done during the evaluation which is currently ongoing, as per the calendar below, and should be finalized before the end of December. This 'Mid-Term Evaluation' will cover 8 months of actual PBGF disbursements (21 March – 21 November 2010) and should be the basis for determining which provinces would receive additional disbursements, and which provinces would receive less, or none at all, if and when the program were to be extended by donors[27].

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[24] Financial expenditure reports are published on the website one month after the expenditures took place. The public side of the website only has summary financial reports. The password-protected side gives donors and the IDLG access to all of the financial detail.

[25] In the run-up to the evaluation, TAF coordinated both with USAID and DFID (which has a separate logframe) to fine-tune the M&E matrix and detail the performance criteria.

[26] See the PBGF Monitoring and Evaluation Report – First Quarter of PBGF Disbursements (21 March 2010 – 21 June 2010), 10 August 2010.

[27] It should be noted that increased funding, diminished funding, or a total cut-off of funding, is intended to influence the behavior of the Governor who has been evaluated. Hence, *in case of a replacement,* it is obvious that the *new* Governor should *not* be 'punished' for the relatively poor performance of his predecessor. Therefore, if a new Governor is appointed, he should receive the baseline funding (i.e. US$25,000 per month), not more or less than that.

Sunday 24 Oct	**Preparatory M&E workshop**
Thursday 4 Nov	**Submission of Financial Reports + Narrative Reports for *Mizan***
Sunday 7 Nov – Thursday 18 Nov	M&E field visits + ***preparation of M&E matrices for discussion***
Sunday 21 Nov – Thursday 2 Dec	***Internal* validation of M&E scores (inter-team discussions region per region):** ✓ Sunday 21 November: North Region ✓ Monday 22 November: North East Region ✓ Tuesday 23 November: Central I Region ✓ Wednesday 24 November: Central II Region ✓ Thursday 25 November: East Region ✓ Sunday 28 November: South East Region ✓ Monday 29 November: West Region ✓ Tuesday 30 November: South West Region ✓ ***Wednesday – Thursday 1 and 2 December: wrap-up***
Monday 6 December 2010	**Submission of Financial Reports + Narrative Reports for *Aqrab***
Tuesday 7 Dec – Thursday 9 Dec 2010	**Finalization of M&E matrices + M&E reports**
Sunday 12 Dec – Thursday 16 Dec 2010	**IDLG-TAF consultations on the M&E results (external validation)**
Sunday 19 Dec – Thursday 23 Dec 2010	**Preparation of M&E report for donors**
Early January 2011	**PBGF Steering Committee meeting (discussion of Mid-Term Evaluation)**

Task 5: Training and Capacity Building

Training and Capacity Building has been an on-going task throughout the program. As of this date, training and capacity-building has focused chiefly on the Provincial Governor's Offices, and less – if at all – on IDLG capacity-building.

During roll-out (from mid-January to mid-March 2010), the PBGF team provided an introduction to the PBGF program objectives and training on PBGF financial and procurement procedures to 792 provincial Governor's Office staff all over the country. Training and capacity-building continues through the TAF provincial officers in each province, including those in the most remote and turbulent regions. These officers are embedded in the Governor's Office, and they take care of their own accommodation, transport and – to some extent – their own security, in line with the donors' instruction to keep the organizational structure light. Thus, no permanent TAF offices are established in the provinces.

As for the objective of transferring knowledge and skills to the IDLG *tashkeel* staff in Kabul, the previous quarterly report already noted that the IDLG will need to work out an appropriate strategy. The PBGF COP has made a number of suggestions in this regard[28] but TAF cannot help but note that only very limited progress has been made so far in this area.

[28] E-mail from the PBGF COP to Mr. Barna Karimi and the IDLG SCU, with cc to donors, dated 23 April 2010.

Hence, TAF can only repeat the recommendations it formulated in its previous quarterly report:

TAF is waiting for the official organogram of the IDLG to be published[29], so it can start identifying and engaging the relevant IDLG staff as interlocutors for the PBGF regional teams and officers. Capacity-building with the relevant IDLG staff should be based on learning-by-doing. It cannot happen through one-point contacts. In this regard, it should be noted that TAF is prepared to station its PBGF staff in the IDLG building in order to ensure an effective transfer of knowledge and skills: its staff should interact with *tashkeel* staff, not with 'program staff'[30].

In addition, TAF feels the Ministry of Finance needs to be engaged in this effort, not only because they are very much involved in sub-national finance planning but also in public sector finance reform. Making the PBGF program work in a public sector context (as opposed to the corporate model which TAF has been using to implement PBGF) should involve a deep reflection on the internal audit and other financial procedures which are currently being used to disburse Ministry of Finance funds to Governors/PGOs through the IDLG.

[29] This should not be difficult to do: a condition to receive MoF funding, for any ministry, is to have an approved *tashkeel* structure and, hence, the IDLG should have one. It is not clear why the IDLG does not want to share it with donors and implementing partners such as TAF. Informally, it is said a new organogram has been proposed to the President, which would involve a third deputy DG. However, this should be no reason to postpone publication of the current organogram. More in particular, the relations between the IDLG 'program staff' (including the SCU) and its regular *tashkeel* structure need to be clarified.

[30] The term 'program staff' is used somewhat loosely here but, in general, refers to IDLG staff paid out of program budgets and, hence, all staff at the IDLG that's *not* on the *tashkeel* (i.e. the official government staff structure).

II – Reporting on the PMP indicators

The PBGF PMP for USAID was submitted to USAID on 14 December 2009. However, it was only finalized, in close coordination with the USAID AOTR, in May 2010. Based on the requirements and indicators of the PMP, the PBGF M&E team developed data collection instruments and trained the provincial and regional PBGF staff on data collection and reporting.

The first PMP report was submitted to USAID on 23 August 2010, and detailed the progress of the PBGF program against the PMP indicators during the first quarter of PBGF disbursements to Governors/PGOs (March 21 to June 21, 2010)[31]. The first quarter includes the (Afghan) financial months of:

- *Hamal* (21 March – 20 April),
- *Saor* (21 April – 21 May), and
- *Jaoza* (22 May – 21 June).

This report covers the second quarter of PBGF disbursements, i.e. the months of:

- *Saratan* (22 June – 22 July),
- *Asad* (23 July – 22 August), and
- *Sumbola* (23 August – 22 September).

The PBGF team has to report progress against the following Mission Strategic Objectives, Intermediate Results and Program Elements:

1. **Strategic Objective (SO) 6**: A democratic government and broad citizen participation
2. **Intermediate Result (IR) 6.3**: Strengthened institutions for good governance
3. **Program Area 2**: Good Governance
    a) **Program Element 2.3**: Local Government and Decentralization
    b) **Program Element 2.4**: Anti-Corruption Reforms

Such progress is reported using a number of indicators, which are detailed below as well as in the tables in Annex.

[31] The *actual* fund disbursements to Provincial Governor's Offices (PGOs) were timed to coincide with the Afghan financial year, which started on 21 March 2010, and which will end on 20 March 2011. This decision was taken through the PBGF Steering Committee, which gathers donors, the IDLG and the implementing partner (TAF). Hence, the period from 1 November 2010 to 21 March 2011 is to be considered as start-up time. This start-up time included the time which was needed to secure funding from the other donors (Belgium, DFID and – at the time – CIDA, but CIDA dropped out in the end).

Indicator 1: Number of sub-national government entities receiving USG assistance to improve their performance

All 34 Provincial Governors/Governor's Offices (PGOs) continued to receive assistance to improve their performance – technical and/or financial – from the PBGF program over the reporting period (*Saratan*, *Asad* and *Sumbola*). However, PBGF disbursements in Badakhshan were suspended over the whole period because of irregularities[32]. In addition, activities in the provinces of Logar, Panjsher, Herat and Laghman were interrupted – but only temporarily – because of personnel issues (change of the PBGF provincial officer). Finally, the PBGF program has been inactive in the province of Nooristan since July 2010, because the PGO staff moved to Paroon, and the PBGF provincial officer could not join them[33].

Actual spending by Governors/PGOs over the first six months of the PBGF Pilot was as follows:

Hamal (21 March – 20 April):	216,165 USD (**25.4%**)
Saor (21 April – 21 May):	626,722 USD (**73.7%**)
Jaoza (22 May – 21 June):	890,819 USD (**104.8%**[34])
Saratan (22 June – 22 July):	966,521 USD (**113.7%**)
Asad (23 July – 22 August):	901,450 USD (**106.0%**)
Sumbola (23 August – 22 Sept):	528,267 USD (**62.1%**)[35]
→ Total PBGF disbursements (6 months):	***4,129,943 USD*** (= **81%** of the permitted ceiling[36])

Hence, as compared to the first quarter of PBGF expenditures (1.7 million USD) have gone up significantly during the second quarter (2.4 million USD in total). This is also reflected in the disbursement rate as measured against the permitted ceiling, which went up from 65% (1.7 million USD /2.5 million USD) in the first quarter to 95% (2.4 million USD/2.5 million USD) in the second quarter.

The graph below shows a substantial number of provinces had disbursements rates higher than 100%, as they spent more than US$75,000, i.e. three months times US$25,000. This illustrates how provinces are now using the savings made as a result of under-utilization of

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[32] PBGF funding was resumed in October 2010 only, after the Governor was changed.

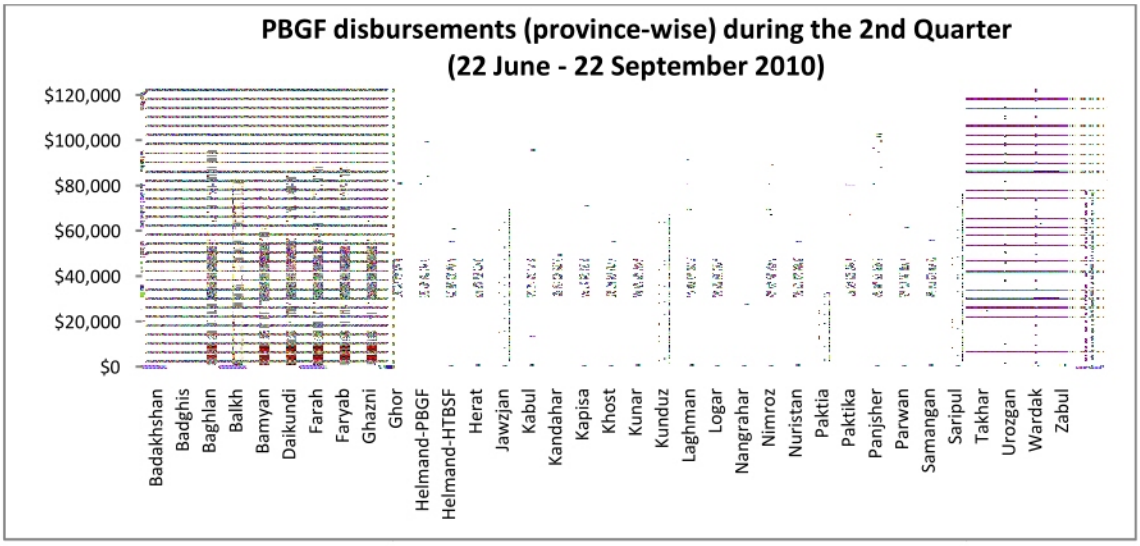
[33] Security conditions do not permit travel over the road. Hence, the provincial officer is awaiting air transport, but air assets are hard to get by in Nuristan.

[34] The percentage reflects the disbursements as a % of the permitted ceiling (US$25,000 per month). A disbursement rate of more than 100% indicates that 'savings' made previously (i.e. non-utilization of the full amount of funding (US$25,000 per month) are being utilized. Hence, it reflects the reality of provinces spending *more* than US$25,000 per month, while respecting the *annual* ceiling of US$300,000 (12 months x US$25,000).

[35] The rather low disbursements during the month of *Sumbola* can be explained – partly – because of the effect of Eid, as well as by the absence of many Governors (holidays) during that period.

[36] The permitted ceiling is US$25,000 x 6 months x 34 provinces = 5.1 million USD.

funds during the first quarter of PBGF disbursements (21 March – 21 June 2010).



What about the distribution of these expenditures over the various spending categories? How much of the 4.1 million USD which was spent effectively from 21 March till 22 September 2010 (i.e. the first six months of disbursements to Governors/PGOs) has been used for community outreach, as opposed to spending on operational needs? The table below answers this question.

Equipment	Transportation	Repair & Maintenance	ICT	Capacity Building	Community Outreach
USD 2,214,095	USD 233,898	USD 551,480	USD 279,484	USD 158,907	USD 692,080
54%	***6%***	***13%***	***7%***	***4%***	***17%***

While no specific targets were set, one cannot help but note that disbursements in the 'community outreach' category have been rather low: less than 17%, or less than 700,000 USD over a six-month period. Governors (and their Office) have indeed shown a tendency to invest more in 'hardware' than in 'software' and, despite the fact that Governor's offices are rather well equipped (a fact which was confirmed by the baseline assessment which TAF has carried out), the bulk of PBGF funds was effectively used to further upgrade Governor's offices, rather than for expenditures at the district level. So, although the website shows some interesting 'success stories' which demonstrate the PBGF program has effectively enabled Governors to reach out to the communities they need to manage, it is obvious that PBGF funds have been used more to cover 'operational needs', rather than to address the needs of communities. If and when donors would want to extend the program for a second year, they may want to think about imposing some quantitative target here (e.g. 25% of PBGF funds allocated to community outreach)[37].

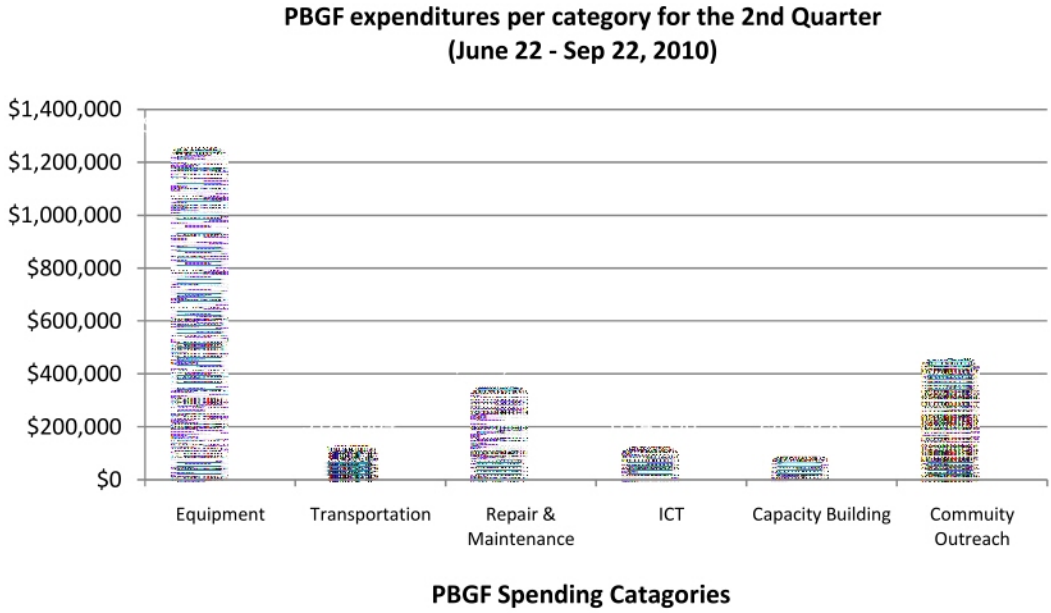
[37] It should be noted that the original concept note for the PBGF program included such recommendations. While TAF is of the opinion it was good *not* to impose such restrictions during the pilot phase, TAF thinks a few simple recommendations like this one would make sense for the second year of PBGF operations.

The table below shows the distribution of expenditures over the six spending categories for the second quarter in particular. This table shows this distribution has been fairly constant, although community outreach expenditures did go up somewhat (now reaching 19%, or let's say 20%). The PBGF team feels this rate has gone up as a result of the first performance evaluation, which made it clear to Governors/PGOs that spending more on community outreach translates very positively into the M&E score and, hence, the ranking of a province.

Repair and maintenance (including refurbishment) of public facilities accounts for another 15% of expenditures. The other categories account only for about 5% of the total, or even less.

Equipment	Transportation	Repair & Maintenance	ICT	Capacity Building	Commuity Outreach	Total
$1,245,326	$120,664	$344,268	$114,696	$84,260	$452,755	$2,361,608
53%	***5%***	***15%***	***5%***	***4%***	***19%***	

The graph below visualizes the figures above:



It is also important to examine what amount was spent at the district-level, and what amount was spent at the level of the provincial capital (and/or for the PGO itself). The PBGF coding system allows for such breakdown, and it reveals that more than 1.8 million USD (i.e. about 80%) was spent on provincial-level expenditures, while only 20% (less than 500,000 USD) was spent at the district-level. Again, while no specific targets have been set here, it is obvious that a casual observer may think this is rather disappointing.

Indicator 2: Number of individuals who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization

The spending by Governors/PGOs themselves[38] in the capacity-building category during the second quarter of PBGF disbursements benefited a total of 469 individuals (314 male and 155 female), distributed over 34 provinces. The trainees include PGO officials, DGO staff, Line Ministry Department officials as well as district and village officials. Trainings include report writing, planning, team building, basic management, good governance and leadership, finance and accounting, budgeting, tailoring, computer and etc. These trainings were paid out of the PBGF funds managed by the Governors/PGOs.

This is more or less the same number as during the first quarter, which was 445 individuals (398 male and 47 female). Hence, the total number of individuals trained over the first half of the PBGF Pilot adds up 923[39].

In addition, the PBGF regional teams provided various on-the job training in budgeting, planning, procurement and report writing to the PGO staff as they traveled frequently to the provincial capital to facilitate and improve PBGF program implementation. These on-the job trainings are an on-going process and part of the PBGF activities in the provinces and therefore, they have not been documented in the overall training log.

Indicator 3: Number of mechanisms for external oversight of public resource use supported by USG assistance implemented

This has not changed since the previous PMP report. All of the PBGF program information (PBGF-funded activities as well as financial reports) is shared with other governmental and non-governmental actors through the PBGF website, or at the provincial level itself (for example in meetings such as the Provincial Development Committee and/or the Provincial Administrative Assembly). Also, there is information-sharing with, and public scrutiny by, District Development Assemblies, District Governors and – to some extent – Community Development Councils. The website – on which the PBGF budgets and financial reports are published – facilitates such information-sharing and public scrutiny.

[38] As opposed to the training organized by TAF as part of the activities which are necessary to run the program, particularly during start-up.

[39] This number is higher than the number of individuals as such, as many PGO and DGO officials benefitted from more than one training.

Indicator 4: Number of USG-supported anti-corruption measures implemented

Here also, the situation has not altered as compared to the previous reporting period. The most important anti-corruption measure is the establishment of an independent procurement committee. While the Governor is the budgeting authority in this program (within the six permissible spending categories), it is the procurement committee in each PGO which is responsible for all PBGF procurement of goods and services. These procurement committees consist of three to five PGO *tashkeel* staff members who represent the PGO and who undertake procurement in accordance with the PBGF procurement guidelines and procedures.

In addition, the TAF/PBGF provincial officer observes the proceedings of the procurement committee and oversees its procurement activities. Most importantly, the TAF/PBGF provincial officer does the actual payment, in accordance with the restrictions as mentioned in the USAID CA on this program.

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TABLE 1: ACHIEVEMENTS AND PROGRESS ON KEY USAID INDICATORS

PBGF Reporting Type: Quarterly

Reporting period: 2nd Quarter of PBGF Spending (22 June – 22 September 2010)

Contact: [redacted] PBGF Chief of Party: [redacted]

No.	Indicator	Reporting frequency	Unit	Target Values (Cumulative)	Progress / Status (Amount/Value)	
					This period (3 months)	Cumulative (6 months)
Indicators for USAID Strategic Objective 6, IR 6.3, Program Area 2.2 and Program Element 2.3						
1	Number of sub-national government entities receiving USG assistance to improve their performance	Quarterly	Number	34	34 provinces (PGOs)	34 provinces (PGOs)
2	Number of individuals who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization	Quarterly	Number	N/A	469 individuals	923 individuals
Indicators for USAID Strategic Objective 6, IR 6.3, Program Area 2.4						
3	Number of mechanisms for external oversight of public resource use supported by USG assistance implemented	Quarterly	Number	N/A	3 (auditing, website, consultation with other stakeholders)	3 (auditing, website, consultation with other stakeholders)
4	Number of USG-supported anti-corruption measures implemented	Quarterly	Number	N/A	3 (management and oversight, internal auditing, procurement committees)	3 (management and oversight, internal auditing, procurement committees)

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TABLE 2: PBGF EXPECTED RESULTS AND INDICATORS MATRIX

PBGF Reporting Type: Quarterly

Reporting period: 2nd Quarter of PBGF Spending (22 June – 22 September 2010)

Contact: [redacted] PBGF Chief of Party: [redacted]

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
Result 1: Improved resource-flows to meet Governors' operational needs.					
Number of PGOs receiving monthly PBGF funds	This measures the number of PGOs receiving PBGF fund on a monthly basis	Monthly	Number	Regional Managers, Provincial Officers Reports, Performance Evaluation Report	34 PGOs are to receive PBGF funds. However, disbursements to one province were suspended because of irregularities, and the program is not operational in one province due to insecurity.
Number of governors utilizing PBGF fund	This measures the number of PGOs actually utilizing the PBGF fund	Monthly	Number	Regional Managers, Provincial Officers Reports, Financial Reports, Performance Evaluation Report	32 PGOs are utilizing the PBGF funds as of date (see above).
Result 2: Increased self-sufficiency with respect to provincial resources.					
Number of PGOs able to prepare basic plans and budgets	This indicator measures how the PBGF program has supported the PGO staff and has improved their skills in planning and budgeting so they are able to prepare basic plans and monthly budgets	Quarterly	Number	Regional Managers, Provincial Officers Reports, Financial Reports	All 34 provinces are able to prepare a basic budget plan. PBGF fund are disbursed only if they submit the monthly budget plan.
Result 3: Decreased lobbying of PRTs and international donors for small expenditures.					
Number of PGOs with decreased lobbying from PRT and International donors	This indicator measures how many PGOs have reduced requests for small operational funds to PRTs and other donors in the provinces	Quarterly	Number	Performance Evaluation Report, Regional Managers, Provincial Officers Reports, interviews with external stakeholders (first and foremost the PRT and the donor concerned)	No exact data is available but the incoming results of the Mid-Term Evaluation exercise reveal that, in a large majority of provinces, lobbying has decreased or is no longer there. This number is up,

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
					and significantly so, from the previous period, as the first M&E evaluation could only confirm that in 15 provinces such lobbying had diminished or had disappeared. The increase is due to the wide publicity the program is getting, so all stakeholders (including PRTs) are aware now of the program.
Result 4: Increased responsiveness of Governors to answer appropriate requests from the villages, districts, Provincial Councils and civil society.					
Number of community outreach projects implemented	This indicator measures how many public outreach projects and activities supported by PBGF fund implemented through PGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	It is hard to define what a 'community outreach project' actually means (a jirga or a meeting – which is also funded out of the community outreach category – is, of course, *not* to be considered as a 'project'), but the reports show that 17 'proper' community outreach *projects* were supported by PBGF throughout the country. These projects include a tailoring project, support to sport activities, youth associations, literacy courses, vocational trainings etcetera.
Number of public facilities maintained and repaired	This indicator measures the number of public facilities (public buildings, masques, etc..) maintained and repaired through PGOs using the PBGF fund	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	131 public facilities (such as mosques, schools, clinics, bridges,…) were repaired and/or maintained through PBGF funding in different provinces.
Number of DGOs directly	This indicator measures how many	Quarterly	Number	Regional Managers, Provincial	Most of the provinces do not

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
receiving PBGF fund	District Governors' Offices received PBGF fund directly and was spent through the DGOs			Officers Progress Reports, Financial Reports, Performance Evaluations	*directly* give funds to DGOs. These PGOs consider DGO requests in their monthly budget plans, but so it's the PGO procurement committee who does the buying. However, in Helmand, Wardak and now also in Badghis, as system of advances for DGOs has been established.
Result 5: Increased citizen interaction with Governors and introduction of a culture in which responding to citizen needs is considered a core function of the provincial administration.					
Number of public events/Jirga supported by PBGF fund	This indicator measures the number of public events (elders gathering, councils, Jirgas, etc..) supported financially by PBGF and through the PGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	31 jirgas, and an additional 109 meetings, were funded by PBGF throughout the country.
Average number of visits by Governor to the districts and CDCs funded by PBGF	This indicator measures the average number of Governors' visits outside of the province (to districts, villages, CDCs) using the PBGF fund for their travel and transport and other expenses.	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	Using the PBGF Fund, each Governor has visited 4 to 5 districts in his/her respective province.
Result 6: Increased capacity in programming and expenditure management, including the ability of provincial structures to comply with requirements on programming systems (e.g. auditing and transparency requirements) and to strengthen procurement systems for goods/services in the Governors' offices)					
Number of financial management trainings provided to PGOs	Measures the number of financial management trainings (on the job) provided to PGO staff by the PBGF team and/or supported by the PBGF fund	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	4 provinces received formal trainings on budgeting and basics of management and these trainings were funded by PBGF. However, all PGOs have received on-the-job training on budgeting and financial management by

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
					PBGF regional teams.
Number of PGOs conduct PBGF coordination meetings with stakeholders	This indicator measures the number of PGOs who conduct coordination meetings with other stakeholders in the province to discuss about the PBGF fund and its use	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	32 PGOs conducted coordination meetings with stakeholders. Most PGOs conduct coordination meetings with one or more stakeholders at least once per week.
Number of PGOs with functional procurement committee	This indicator measures how many PGOs have established their procurement committees and how many of them are effectively functioning actively in the PGOs	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Financial Reports, Performance Evaluations	All provinces have functional procurement committees, except for Nooristan.
Result 7: Establishment of a culture of transparency and accountability, by facilitating good reporting practices on planning/expenditures and by implementing regular audits.					
Number of PGOs preparing regular financial reports	This indicator measures how many of the PGOs prepare the financial reports of PBGF for the concerned authorities in a correct manner	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports, Finance Reports, Performance Evaluation Report	All provinces are preparing financial reports, except for Nooristan.
Number of PGOs conduct PBGF fund expenditure audits	This indicators means how many PGOs conduct internal audits and control the PBGF fund expenditures efficiently	Quarterly	Number	Regional Managers, Provincial Officers Progress Reports	All provinces oversee the PBGF fund expenditures, except for Nooristan.
Result 8: Increased support for the implementation of the new sub-national governance policy, by creating a regular practice by which the Governors take responsibility for and have the authority to respond as provincial needs arise.					
Number of special events supported and facilitated by PGO using PBGF fund	This indicator measures any governance related special event supported by PBGF fund such as community conflict resolution, conferences and other events	Quarterly	Percentage	Regional Managers, Provincial Officers Progress Reports	10 special events were funded by PBGF fund in different provinces.
Result 9: Establishment of a base-line performance level for Governors, which will form the foundation for determining funding allocations under future PBGF iterations.					
Number of PGOs are satisfied	This indicator measures the number of	Quarterly	Number	Regional Managers Report, M&E	All Governors/PGOs are satisfied

Indicator	Indicator Definitions	Reporting Frequency	Unit of Measurement	Means of Verification	Progress and Achievements (Amount/Value for quarter)
with PBGF fund allocation	PGOs who are satisfied not only with the way the program works but also with the amount of funding the PBGF program provides to them			Report	with the PBGF program.

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AFGHANISTAN TRADE AND REVENUE (ATAR)

Monthly Report: Nov. 7-30, 2013

USAID awarded the ATAR project to Chemonics International on November 7, 2013.

PROJECT STARTUP



Mobilized contract startup team: As envisioned in the mobilization plan of the proposal's technical approach, Chemonics mobilized a two-person team from its home office to oversee initial contract startup activities. Priority activities included transferring office and residential space located at the Baron Hotel compound from teams who had leased it during the months following the end of the TAFA II contract to ATAR management, hiring initial Afghan operations staff and orienting them to carry forward on startup activities after departure of the startup team, submitting approval requests to dispose equipment from TAFA II to ATAR, opening bank accounts, setting up electronic and paper filing systems, preparing templates and guidelines for incoming staff, procuring basic office supplies, and submitting visa and work permit applications for incoming expatriates.

Conducted post-award meeting: On November 23, USAID hosted an initial post-award meeting that brought together USAID's mission director, deputy mission director, representatives of the Office of Acquisition and Assistance, the USAID trade team, and technical team leaders of the ATAR project to review the prime contract and discuss rules and expectations.

Hired Afghan staff: During the reporting period, the ATAR project finalized employment agreements with 22 Afghan professional and support staff. These staff had been included in the proposal-phase budget and were considered essential to launch priority activities. Among the initial group of hired staff were the deputy chiefs of party of technical programs and of finance and administration, a small legal team to carry forward on reforms sustained after the TAFA II

contract ended and now positioned within ATAR's trade policy liberalization component, and the directors of human resources, finance, and logistics. Upon departure of the expatriate startup team who worked in Kabul for approximately two weeks, these Afghan staff members assumed leadership for project administrative and technical startup.

Mobilized expatriate staff: On November 9, Chemonics submitted applications to the Afghan Ministry of Foreign Affairs (MOFA), which provides MOFA numbers that are required for expatriates to submit applications for travel visas. The ATAR chief of party mobilized immediately upon execution of the prime contract and arrived in Kabul on November 12. The trade advisor overseeing Components 1 and 2, trade policy liberalization and regional trade integration, engaged immediately with USAID. Visas for all other expatriates – generally for all expatriates seeking entry into Afghanistan -- were delayed due to both the Ashura holidays and the Loya Jirga.

Drafted outline of annual work plan: While the expatriates waited for their visas, the chief of party and trade advisor worked with them remotely to develop a draft outline for the annual work plan, incorporating key points from both the prime contract, the latest version of the technical proposal submitted by Chemonics to USAID in July 2013, and knowledge of stakeholders' needs. This preparatory work positioned the team to engage immediately upon arrival in Afghanistan in stakeholder consultations.

Trade Policy Liberalization: Rapid mobilization of the Afghan legal team and the trade advisor facilitated continuity of work in several key technical areas under Component 1 of the ATAR project. During the month of November, the trade policy liberalization team continued support for the Ministry of Justice on advancing draft amendments to the customs law and patents law, as well as the draft law on plant protection and quarantine. At the Ministry of Agriculture, Irrigation, and Livestock, the ATAR legal team provided support in the end stages of finalizing the veterinary law. As well, the ATAR legal team provided continuing support to the Afghanistan Customs Department on finalizing the intellectual property rights border enforcement procedures.

Regional Trade Integration: During the reporting period, the Afghanistan Ministry of Transport signed the Cross Border Transport Agreement and sent it to the Kyrgyz Republic Ministry of Foreign Affairs. USAID project team members under TAFA II, ATAR, and the bridge period between these two contracts have encouraged this process to ensure it reached completion.

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Looking Back: Monthly Report (April 1 – 30, 2014)
Looking Forward: Future Activities Report (May 1 – 15, 2014)

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

1. WTO Accession Process

Awaited date for fifth Working Party meeting: Preparation for Afghanistan's fifth Working Party meeting was completed in early March, and the World Trade Organization (WTO) Secretariat in Geneva, Switzerland, is waiting for Afghanistan to propose a date for the meeting. This could be the final Working Party meeting for Afghanistan, which then would achieve accession with the least number of Working Party meetings by any acceding country during the last decade.

2. Legislative Reforms for WTO Conformity

Worked with ministries on WTO-related laws: ATAR was informed that the Ministry of Justice (MOJ) included all remaining WTO-related draft laws on its 1393[1] MOJ legislative agenda, which will be submitted to the Council of Minsters for approval in early May 2014. ATAR is requesting a copy of the legislative agenda for confirmation.

Throughout the first quarter of 2014, ATAR worked closely with the ministries to ensure that they requested the MOJ to include all WTO-related draft laws within their authority in its 1393 legislative action plan. Afghanistan must bring certain trade laws up to international standards to join the WTO. Although concessions are made for least-developed countries such as Afghanistan, the WTO expects full compliance before accession in major legal areas related to trade policy.

Throughout April, ATAR continued working with the Afghan government to draft, reform, or prepare for implementation of these laws. The table below provides the status of WTO-related legislative actions at the end of April. ATAR's active areas of support during April are highlighted in light blue.

[1] The Afghan year 1393 corresponds to March 21, 2014, to March 20, 2015 in the Gregorian calendar.

Status of Legislation for WTO Accession and Integration into the Global Trading Community as of end of April 2014			
No.	**Legislation**	**Responsible Authority**	**Status**
1.	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD)	MOJ submitted the draft to the Council of Ministers in March.
2.	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. The Minister of Finance will adopt the procedure once the draft customs law is adopted.
3.	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. The Minister of Finance will adopt the procedure once the draft customs law is adopted.
4.	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA)	ATAR received and reviewed comments and suggested revisions to the draft from the ANSA Management Board. ATAR expects the Management Board will complete its review during the next quarter. To date, the Management Board reviewed and approved 22 of 32 articles.
5.	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation, and Livestock (MAIL)	MOJ submitted the draft to the Council of Ministers in January. ATAR assisted MOCI in preparing a letter to MOJ, the Council of Ministers, and the National Assembly to introduce a few changes to ensure compliance with WTO. The Council of Ministers assigned a committee to re-insert the changes proposed by ATAR to ensure WTO compliance. In April, ATAR assisted MOJ in revising the draft, and MOJ will resubmit the law to the Council of Ministers.
6.	Law on Animal Health and Veterinary Public Health	MAIL	ATAR organized the last working group meeting at MAIL on April 6 to finalize the draft law. The Minister must now submit the draft to MOJ.
7.	Law on Food Safety	Ministry of Public Health (MOPH)	MOJ has scheduled review of the draft law in its legislative agenda for first quarter of the year 1393. ATAR launched assistance to MOJ's relevant legislative department to review the daft food law and held two technical meetings in April. ATAR will continue support for enabling submission of

			this draft to the MOJ's Executive Committee.
8.	Procedure Customs Control of Intellectual Property Rights (IPR) (Intellectual Property Border Enforcement)	ACD	The Minister of Finance adopted this procedure on April 12.
9.	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI	In a significant development, MOJ submitted the law to the Council of Ministers on March 19. MOJ noted in its submission letter that ATAR experts are available to clarify any issues in the draft law. The Council of Ministers has not yet begun its review.
10.	Amendments to the Law on Trade Marks of 1 September 2009	MOCI	The Council of Ministers approved the amendments on March 17 for submission to the National Assembly under the condition of further fine-tuning of the legal text by MOJ. ATAR assisted MOJ in fine-tuning the legal text in April, and the draft was submitted to Parliament on April 13.
11.	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC)	ATAR held several meetings with MOJ and MOIC top staff to make sure the draft meets the requirements of WTO. The draft is presently under review of the MOJ Executive Committee. ATAR participated in the sessions of the Executive Committee and clarified the provisions of the draft. The Executive Committee has reviewed the first chapter.
12.	Law on Geographical Indications	MOCI	In a significant development, the MOJ approved and submitted the draft law to the Council of Ministers in February. The Legislative Committee of the Council of Minister, chaired by First Vice President, held a session on April 15 to review the draft law. This included the Minister of Justice, the Minister of Economy, the Minister of Finance, the head of the Afghanistan Chamber of Commerce and Industries (ACCI), and the Senior Legal Advisor of the President. It was reported that the First Vice President rejected the draft due to absence of the Minster of Commerce and Industries, who was not there to defend the draft given comments made by the Senior Legal Advisor to the President to shift provisions to regulations and add new provisions. The Senior Legal Advisor was not specific in the meeting as to which provisions needed to be added or deleted. Under the above circumstances, the First Vice President ordered the draft be sent back to MOJ for amendments. In May, ATAR will meet with members of the Legal

			Advisory Board of the President's Office to improve understanding of the draft and address concerns they may have in order to resubmit the draft to the Council of Ministers.
13.	Law on Industrial Designs	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
14.	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.
15.	Law on Trade Secrets (undisclosed information)	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
16.	Law on Topography of Integrated Circuits	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
17.	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	The relevant MOJ legislative department completed its review, and the draft law is awaiting submission to the MOJ Executive Board.
18.	Law on Plant Variety Protection	MAIL	ATAR followed up with MAIL to ensure the law is formally submitted to MOJ for inclusion in the 1393 legislative agenda. However, MAIL is requesting a needs assessment concerning the application/administration of this law, once adopted. ATAR researched plant variety laws in half a dozen countries as background for MAIL
19.	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ	The MOJ formally agreed in April to include the law in the 1393 legislative agenda.
20.	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ	The draft is at MOJ under review by the relevant legislative department.
21.	Law on Foreign Trade in Goods	MOCI	The draft is at MOJ under review by the relevant legislative department.
22.	Regulations on Import and Export Licensing	MOCI	The draft is finalized at MOCI and ready for submission to MOJ.
23.	Procedure on Customs Storage Fees	ACD	The draft is being circulated for final review within ACD.

24.	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	While the MOPH has not yet agreed to all proposed amendments, ATAR has made progress toward reaching an agreement on a few issues to meet WTO requirements. ATAR launched a cost analysis to propose fees consistent with WTO requirements.
25.	Value Added Tax	MOF	The Lower House has approved the law; the law is now pending approval by the Upper House. According to the Constitution, the Upper House should complete its work on drafts within 15 days from approval by Lower House. That is May 4 in the case of this law.
26.	Income Tax Law (concerning unequal treatment of import tax)	MOF	The Afghanistan Revenue Department (ARD) indicated the draft was finalized and submitted to MOJ in January. MOJ has not yet confirmed the receipt of this draft.
27.	Law on Minerals	Ministry of Mines and Petroleum (MOM)	As of end of April, the Lower House of the National Assembly is still considering the draft.
28.	Law on Safeguards Measures for Domestic Protection	MOCI	The draft is awaiting review by the relevant MOJ legislative department.

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Prepared for implementation of food safety law: On April 9, ATAR conducted a seminar at MOPH on the Codex Alimentarius Commission's "Guidelines for the exchange of information between countries on rejections of imported food, CAC/GL 25-1997" that will form the basis for a ministerial procedure being developed by the Food Regulations Working Group.

Following the seminar, ATAR participated in two meetings of the Food Regulation Working Group in early April. During the meetings, the participants worked on and completed the draft procedure on the operation of the food import control system. In addition, ATAR conducted four roundtables to explain requirements for documents to be developed by the Food Regulations Working Group while the ATAR food safety consultant is out of the country. The documents will address requirements for: (1) protection of privacy; (2) exchange of information between Afghanistan and exporting countries regarding rejections of imported food; (3) determining equivalence of sanitary measures; and (4) exchange of information in food safety emergency situations.

In the latter half of the month, ATAR participated in two more meetings of the Food Regulations Working Group. During these meetings, participants completed work on two additional draft documents: "Exchange of Information between Exporting Countries Regarding the Rejections of Imported Food" and "Exchange of Information between Countries in Food Safety Emergency Situations".

Continued support on plant protection: ATAR worked with MAIL's Plant Protection and Quarantine Department (PPQD) throughout April to explain updates to the plant protection and quarantine regulation and encourage participants to offer input on procedures that will be drafted to support the regulation. In April, ATAR assisted PPQD in conducting four meetings of the working group to review and improve the draft regulation on plant protection and quarantine.

Prepared for implementation of law on animal health and veterinary public health: Throughout April, ATAR and MAIL's Animal Health Department met to discuss draft regulations and three procedures in support of the law on animal health and veterinary public health.

Prepared for implementation of customs law: ATAR completed its training-for-trainers course on the WTO Customs Valuation Agreement on April 14-16, delivering the full program of 24 lessons. ATAR granted certificates to eight participants in the training who successfully passed the post-training test. ATAR saw a significant improvement in the results of post-training test comparing to pre-test results.

Prepared for implementation of law on copyrights and intellectual property rights: On April 13 and 14, ATAR conducted an intellectual property legal training for prosecutors, defense attorneys and members of the MOIC Copyright Office, including female attorneys.



Deputy Minister of Information and Culture Nabi Farahi spoke at a training on intellectual property rights conducted by ATAR.

On April 15, ATAR conducted a copyright training, which was a follow-up to the intellectual property training. The training was attended by the participants from the April 13-14 training as well as those who attended an intellectual property legal training held in June 2013, including a number of judges. These

events were reported in the Afghan media, including Islah Daily, Hewad Daily, the Kabul Times, and Afghanistan National Television.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Discussed draft action plan for quality management system and product certification: Throughout April, ATAR held several meetings with ANSA to discuss and finalize an action plan for mid- and long-term development of certification activities in Afghanistan.

ATAR held a workshop on April 27 to train ANSA staff on conformity assessment and certification and assisted in developing an organizational structure, guidelines, an operation manual, suggested fee structures, and possible conformity assessment marks for the certification unit. ATAR began preparing recommendations for establishing a standards training institute within ANSA to deliver training on standards and their application to private sector and other ministries/state bodies.

ATAR also assisted ANSA in participating in meetings of the South Asian Regional Standards Organization (SARSO) in Dhaka, Bangladesh, from March 31 through April 3. The main purpose of these meetings was to present ANSA to SARSO's technical management board and governing board and discuss cooperation on regional standardization. This was the first time ANSA attended a SARSO meetings.



ATAR developed four possible conformity assessment marks for ANSA to consider for its certification unit that ATAR is helping to establish.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

There were no activities performed during this reporting period in connection with MOCI's WTO Unit.

6. Building Analytical Capacity

Supported reducing discrepancies in trade statistics: During April, ACD, the Export Promotion Agency of Afghanistan (EPAA), and the Central Statistics Organization (CSO) signed a memorandum of understanding (MOU) to promote cooperation in import and export statistics for Afghanistan.

According to the MOU, which was based on a draft MOU prepared with the support of USAID's Trade Accession and Facilitation (TAFA) project, the CSO will get information on import/export statistics from ACD on a monthly basis within two weeks after the end of the each month and process this information in accordance with the CSO reporting structure.

ATAR provided the training to CSO staff on the structure of ACD trade statistics. ATAR determined the CSO requires computers to process the large amount of data from ACD. The CSO requested ATAR's assistance in purchasing two new computers and related software; ATAR will consider such assistance.

In the second half of April, ATAR analyzed reasons behind a decline in revenue collections and commented on an article in *The Washington Post* that raised that issue. ATAR determined the author of the article did not interpret revenue figures correctly.

Continued supporting development of valuation database: ATAR continued to assist the ACD valuation department on the integration of valuation data into the Automated System for Customs Data (ASYCUDA) World database.

ATAR and ACD added a new mechanism in the Tariff and Valuation Management Tool (TARVAL) that is unavailable in the current version of ASYCUDA. With this feature in TARVAL, ACD's valuation department will be able to respond quickly and effectively to requests regarding the differences in the database from one period to another.

With ATAR support, ACD installed an updated version of TARVAL at its valuation department. ATAR gave on-the-job training to the valuation department on TARVAL functionalities.

ACD accepted the ATAR proposal on restructuring part of the Afghan Customs Tariff 2014. That measure will enable ACD to implement certain tariff policies related to vehicles and will help ACD's valuation department keep better records. In addition, ATAR carried out an analysis of the draft Afghan Customs Tariff 2014 compared to the Harmonized System 2012 Edition, an international document used as the basis for countries' tariffs.

7. Building Nationwide WTO Awareness

There were no activities performed during this reporting period in connection with nationwide WTO awareness.

Component 1: Looking Forward

- Provide support, as requested (subsequent to USAID clearance), for Afghanistan's participation in Afghanistan's fifth Working Party meeting.
- Continue support to advance WTO-related draft legislation, regulations, and procedures,

particularly regarding customs, copyrights, patents, food safety, veterinary health, standards, fees for the import of medicines, intellectual property border enforcement, customs storage fees, and plant variety.

- Continue dialogue with MOPH to promote adoption of amendments to the regulations of production and importation of medicines and medical equipment for WTO-conformity and support the process with quantitative analysis of fee structure
- Continue to support MAIL to amend draft implementing regulations for plant quarantine and protection and develop implementing procedures.
- Continue to work with MAIL to start development of implementing regulations and procedures for the law on animal health and veterinary public health.
- Conduct a workshop on valuation problems faced by Afghan private sector in Afghanistan and the region.
- Continue to assist ANSA in developing conformity assessment documentation, establishing a certification unit at ANSA, and establishing a standards training center.
- Identify priority areas for supporting the implementation of the MOU between CSO, ACD, and EPAA on reducing data discrepancies

COMPONENT 2: Enhanced Access to Regional Markets

1. Afghanistan

Supported Afghanistan's participation in CABOC: ATAR supported Afghanistan's participation in the Central Asian Business Opportunities Conference (CABOC), which was organized by USAID's Pakistan Trade Project to enable Central and South Asian businesses to exchange information, establish relationships, and meet government officials.

ATAR encouraged Afghan businesses and the Afghan government to actively participate in the event and supported logistical, security, and technical preparations. The conference, held from April 14-16, devoted one day to business-to-business meetings, a second day to business-to-government meetings, and that last day to government-to-government meetings.

Sixteen MOUs were signed between representatives of Pakistan, Afghanistan, and Central Asian countries. The MOUs covered topics such as increased cooperation between chambers of commerce and industries, expired dairy products entering Afghanistan from Pakistan, and strengthening relationships in the private sector.

ATAR held roundtables prior to CABOC and asked businesses to identify their main trade obstacles in preparation for the event.



Afghan businesswomen participated in CABOC with the support by ATAR.

Provided support to EPAA: In the first half of April, ATAR supported EPAA in developing a cost-competitiveness analysis for six Afghan products, including fresh and dried fruit and spices, for select countries in Central Asia.

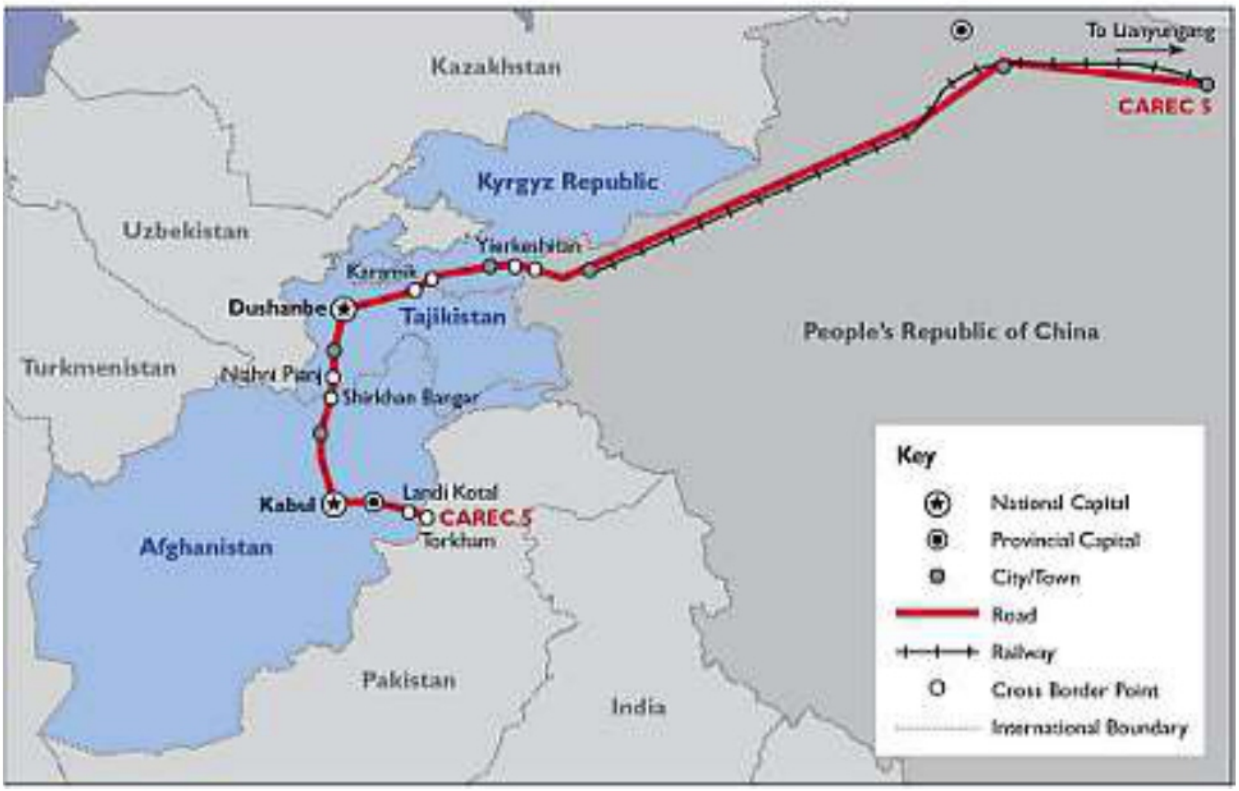
ATAR also provided technical support to EPAA in organizing participation of Afghan traders in WorldFood Azerbaijan. The exhibition, to be held on May 22-24, will bring together buyers and sellers in the food and drink industry. In addition, ATAR finalized material to train Afghan exporters and trainers in international market research and international trade logistics and began identifying training participants.

Encouraged approval of CBTA: ATAR continued to follow up with MOTCA and MOFA to promote approval of the Cross Border Transport Agreement (CBTA) between Afghanistan, Tajikistan, and the Kyrgyz Republic.

Due in part to ATAR's efforts, the agreement was included on the agenda of the Council of Ministers, which approved the CBTA on April 21. MOFA must now submit the originally approved protocol to the Kyrgyz Republic, which is the repository of the agreement. The three countries can then begin ratification. ATAR will continue to work with MOTCA and MOFA on the process.

The CBTA aims to facilitate movement of goods, vehicles, and people along Corridor 5 of the Central Asian Regional Economic Cooperation (CAREC) program, which promotes cooperation and development in Central Asia. The agreement will eliminate a number of barriers, including transshipment for movement of trucks across borders.

Map of CAREC Corridor 5



2. Kyrgyz Republic

Conducted presentation and assessment in support of WTO TFA: ATAR supported the government of the Kyrgyz Republic during April in understanding and preparing for implementation of the new WTO Trade Facilitation Agreement (TFA).

On April 7 and 8, ATAR conducted a presentation on the provisions of the agreement and its implementation requirements for representatives of the Kyrgyz Republic's Ministry of Economy, State Customs Service, Chamber of Commerce and Industries, customs brokers, and transport operators.

In the first half of April, ATAR conducted interviews with officials from relevant agencies and private-sector representatives to collect information on the current situation. During the second half of April, ATAR used this information to draft a TFA assessment that will enable the Kyrgyz Republics to notify the WTO of how it will comply with the TFA requirements. Once finalized, ATAR will translate and share the assessment with the Ministry of Economy.

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved World Customs Organization Revised Kyoto Convention provisions, improved provisions in existing WTO agreements, and new provisions. This agreement presents a new framework for promoting regional reforms to facilitate trade, reduce corruption, improve transparency, increase private-sector participation, and strengthen transit rights.



ATAR gave a presentation on the new WTO Trade Facilitation Agreement and its implementation requirements for stakeholders in the Kyrgyz Republic.

Piloted and presented CITS: Throughout April, ATAR developed and piloted the Comprehensive Integrated Tariff System (CITS), which would ensure greater transparency and access to information regarding import and export trade and transit regulations.

In the first half of April, ATAR developed and tested CITS. In the latter half of the month, ATAR completed the first pilot and presented CITS to an interagency working group on export promotion and to the staff of the Kyrgyz Republic "Single Window" enterprise. Upon verification of contents, ATAR will assist Kyrgyz customs in loading the system to its website for public access. ATAR will support development of a sustainable process for maintaining CITS.

Through CITS, an Afghan trader could have access to information on all regulatory requirements applicable to products imported into or exported from the Kyrgyz Republic.

Gave presentation on customs electronic data interchange: On April 1 and 2, ATAR conducted a presentation of the customs-to-customs electronic data interchange system for the Kyrgyz Republic's customs department.

The electronic data interchange will allow transmission of read-only trade and transit information prior to the arrival of goods to all relevant transshipment, clearance, and entry and exit points in Afghanistan, the Kyrgyz Republic, and Tajikistan. Electronic data interchange modules have already been developed and installed in test environments in Afghanistan and Tajikistan.

Electronic data interchange will prevent tampering with information, facilitate traceability of goods, reduce corruption and smuggling opportunities, allow effective and timely audits, support proper valuation of goods, and eliminate discrepancies between the countries' trade statistics.

Wrote concept paper for law enforcement information technology system: During the second half of April, ATAR developed a concept paper at the request of Kyrgyz customs on the introduction of an electronic system for managing law enforcement in customs. All procedures are currently paper based and do not provide important input to the customs' electronic risk management system.

Launched a study on goods for trade between Kyrgyzstan and South Asia. During the second half of April, ATAR began working on a regional study for identifying Kyrgyz products and businesses interested in exporting and importing to and from South Asia.

ATAR conducted meetings with business representatives in the Kyrgyz Republic. Interested businesses will be invited to a business-to-business event planned for June 2014 in Dushanbe, Tajikistan.

3. Tajikistan

Introduced to the first deputy minister of Tajikistan's Ministry of Transport: In early April, USAID's country director and representatives of the USAID/Tajikistan economic growth office introduced ATAR to the first deputy minister of Tajikistan's Ministry of Transport.

The first deputy minister welcomed ATAR, appointed the head of the ministry's international cooperation division as the point of contact for ATAR, requested ATAR's assistance in building the capacity of Tajik logistics service providers, and requested ATAR evaluate the requirement for a monitoring mechanism for Transports Internationaux Routiers Carnet movements across Tajikistan and Afghanistan.

Re-introduced project to TCCI: Following a change in management at the Tajikistan Chamber of Commerce and Industry (TCCI), ATAR met with the new TCCI deputy chairman in early April and re-introduced the project and the proposal for a joint business council with Afghanistan and the Kyrgyz Republic to TCCI. ATAR explained the MOU regarding the joint business council and submitted it to the deputy chairman for consideration.

Worked on draft veterinary affairs agreement: In partnership with Tajikistan's veterinary services agency, ATAR improved the draft "Agreement on Cooperation and Mutual Assistance in Veterinary Affairs" between the governments of Tajikistan and Afghanistan.

ATAR handed over the final document in English, Tajik, and Dari to the veterinary services agency, which will now seek permission of the Ministries of Agriculture and Foreign Affairs to submit the draft agreement to their Afghan counterparts for consideration.

The agreement covers the cooperation of Tajikistan and Afghanistan in protecting their territories against the introduction and spread of diseases of animals and animal products.

Introduced the proposal for the business-to-business event to Dushanbe: ATAR began preparations for a business-to-business event, planned for June in Dushanbe, between Afghanistan, Pakistan, and

Tajikistan's importers and exporters.

ATAR met with TCCI, the American Chamber of Commerce in Tajikistan, private businesses, and donors to discuss efforts to identify Tajik exporters interested in the business-to-business event. ATAR also met with the deputy minister of Tajikistan's Ministry of Trade and Economic Development to get his support.

ATAR collated a list of more than Tajik entrepreneurs with interest in the three target sectors – construction materials, textiles, and prepared food. ATAR started interviews with the entrepreneurs to identify their trading potential with Afghan and Pakistani participants and to gauge their commitment to the business-to-business forum.

Prepared for delivery of export development seminar: ATAR prepared for a seminar on export development on May 21-23 in Khujand, Tajikistan's second largest city and the county's export center.

ATAR discussed the event with the TCCI, the United Nations Development Programme, and the Ministry of Economic Development and Trade to ensure the best venue and participants from the public and private sector.

Confirmed State Customs Service's requirements for technical assistance: ATAR consulted with Tajikistan's State Customs Service and confirmed its requirements for technical assistance in its risk management and post-clearance audit divisions and in English translation of the annotated customs code for its website.

4. Turkmenistan

Prepared for export development course: In early April, the Ministry of Foreign Affairs in Turkmenistan expressed interest in cooperating in export development and customs issues related to WTO.

As a result, ATAR prepared two draft agendas for a course on export development and another on customs issues. ATAR started preparation of training materials and organizing a venue and logistics for delivering the export development course.

5. Uzbekistan

Began preparations for transport workshop: In early April, ATAR began working with USAID's Regional Economic Cooperation (REC) project to plan a transport workshop in Uzbekistan that would bring Kazakh, Uzbek, and Afghan stakeholders together. The event, however, was postponed at the request of the Uzbek government.

6. Region-Wide

Started work on regional matrix on trade opportunities and traders: ATAR began developing a regional matrix covering Afghanistan, the five Central Asian countries (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan), India, and Pakistan. The matrix will highlight export opportunities in one country of potential interest to traders in the other countries.

Component 2: Looking Forward

- ATAR will follow up with MOTCA and MOFA on sending the original protocol of accession to the CBTA to the Kyrgyz Republic.
- Continue work in Tajikistan, the Kyrgyz Republic, and Afghanistan on facilitating an MOU between the chambers of commerce and industries of the three countries and on establishing a joint business council.
- Continue planning for a business-to-business event in Dushanbe involving Afghan, Tajik, and Pakistani traders (possibly also Kyrgyz Republic traders).
- Launch process of addressing the three top issues facing transit and trade in Tajikistan.
- Continue work with the Kyrgyz Republic on installing the electronic data interchange system in a test environment.
- Begin work on verifying data for the CITS pilot system in the Kyrgyz Republic.
- Finalize concept paper for a law enforcement database for the Kyrgyz Republic and translate to Russian.
- Finalize the WTO TFA assessment in the Kyrgyz Republic and translate to Russian.
- Launch support on risk assessment in the Kyrgyz Republic.
- Continue preparation of training materials for a course on export development in Turkmenistan, the Kyrgyz Republic, and Tajikistan.
- Continue organizing training on export development in Turkmenistan, Tajikistan, and the Kyrgyz Republic.
- Continue working on a study on identifying goods of interest to regional traders covering Central Asia, Afghanistan, and South Asia.
- Start introducing the new ATAR country manager to Kyrgyz main government, private-sector counterparts, and donors.
- Continue organizing business-to-business event in Dushanbe for private-sector participants from Afghanistan, Kyrgyz Republic, Pakistan, and Tajikistan.
- Continue assessing cost competitiveness of key Afghan exports.

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

Customs 3a: Improved Tax Administration

Received ACD support on VAT work plan: In early April, ATAR met with the Ministry of Finance's deputy minister of revenue and customs and received his support to work with the director general to move forward with value-added tax (VAT) implementation.

The deputy minister noted ACD will have little time to start implementing VAT. The Lower House of Parliament passed VAT, and the Upper House and President are expected to pass VAT in May.

Customs 3b: Improved Customs Reform

Worked with ACD and DAB on E-Pay: In early April, Da Afghanistan Bank's (DAB) payment and settlement department notified ATAR through an email that the department determined the new standard operating procedures between ACD's Automated System for Customs Data (ASYCUDA) and DAB's

Afghanistan Clearing and Settlement System (ACSS) for the electronic payment of customs duties were no longer feasible.

The email noted the ACSS requires an upgrade for such integration; however, DAB is now replacing the ACSS with a new system that will be funded by the World Bank, making the upgrade pointless. DAB said the new system will be operational in less than a year. DAB said the electronic payment of customs duties will be an integral part of the new system, but ACD will have to be involved throughout the design and implementation.

Began support to ANCA: In the second half of April, ATAR deployed its national training development specialist to the Afghanistan National Customs Academy (ANCA) to provide technical support on development of training. ANCA provided an office for the ATAR specialist, who has begun coordination to collect information on ANCA trainings and develop a training need assessment database.

The database will cover training information for most of the customs officials in Kabul, Mazar-i Sharif, Heart, and Jalalabad. At the end of the month, ANCA and ATAR had received all of the data from Mazar-i Sharif, 80 percent of the data from Jalalabad and 50 percent from Herat.

Worked with ACD in regions: ATAR has local project staff located in Mazar-i-Sharif, Herat, and Jalalabad working closely with ACD regional staff on risk management, streamlined customs procedures, time release studies, training needs analyses, and monthly management reports.

Customs Progress in Regions from April 1-30, 2014					
Site	Risk Management	Streamlined Customs Procedures	Time release study (TRS)	Training needs analysis (TNA)	Monthly Management Report (MMR)
Mazar-i Sharif	ATAR completed a comprehensive risk management review in April. ATAR found officials were subjecting declarations routed for immediate release to physical exams, against the risk management policy and best practices. With coordination between ATAR, the ACD regional director, and the risk management and intelligence department in Kabul, ACD stopped this practice in late April.	ATAR determined proper streamlined procedures will only be implemented with ACD director general intervention. ATAR will raise the issue with him.	In the second half of April, ATAR revised the format for the Time Release Study (TRS) to address concerns of regional customs directors and to expand the sample size of the study. ATAR, with the assistance of customs brokers, will begin completing the new forms in May.	During the reporting period, ATAR completed the TNA with ACD support. ATAR and ACD have compiled the information in a database, and ATAR will review the information.	The ACD director general stressed this report is a priority, and ATAR will discuss this with him.
Herat	ATAR completed a comprehensive risk management review in April. ATAR will use the results of the review to work with ACD on proper implementation of risk management in the region.	ATAR continued to review streamlined procedures. ATAR will raise opposition to proper implementation with the ACD director general.	In the second half of April, ATAR revised the TRS format to address concerns of regional customs directors and to expand the sample size of the study. ATAR, with the assistance of customs brokers, will begin completing the new forms.	ACD Herat fully endorsed the TNA, and the forms are being completed.	The ACD director general stressed this report is a priority, and ATAR will discuss this with him.
Jalala-bad	ATAR completed a comprehensive risk management review in April. ATAR will use the results of the review to work with ACD on proper implementation of risk management in the region.	ATAR discussed extra steps in the clearance process with the customs director, but the director wants a directive from the director general regarding removal of the steps. ATAR will raise this issue with the ACD director general.	In the second half of April, ATAR revised the format for TRS to address concerns of regional customs directors and to expand the sample size of the study. ATAR, with the assistance of customs brokers, will begin completing the new forms in May.	ACD disseminated the TNA among inland clearance deport (ICD) staff. ATAR is awaiting final results.	ACD initially refused to cooperate in the report. The ACD director general said he wanted the form to be reintroduced. ATAR persuaded the customs director of the importance of this form, and he has nominated an officer who is being mentored in its completion.
Kand-ahar	ATAR is in the process of recruiting for a local customs expert in Kandahar.				

Component 3: Looking Forward

- Await formal approval and/or feedback on the VAT work plan that directly supports ACD.
- Commence support to ACD in reviewing requirements for accession to the Revised Kyoto Convention.
- Continue regional work with ACD to identify existing risk profiles and resulting selectivity rates in areas where risk management has been rolled out.
- Begin implementation of time release studies at all regional ICDs.
- Finalize TNAs at all regional inland clearance depots and border crossing points.
- Discuss regional difficulties with the director general.

ATAR INDICATOR TABLE

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO report)	$5.17 billion in the first nine months of 1392 (ACD report)	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). **Note:** Total volume of trade in the first nine months of1392 was $5.17 billion which included import ($4.85 billion) and export ($318 million)
2	Value of gross domestic product (GDP)	Outcome/ Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$21 billion in 1391(CSO report)	Will be reported by end of 1392	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. **Note**: Based on a CSO report, the total value of Afghanistan GDP in 1391 was Afs 1,085,766 million = $21 billion.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
3	Ratio of foreign trade in GDP	Outcome/ Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank report)	Will be reported next quarter	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan. Note: This indicator will be reported once the Afghanistan GDP for 1392 is reported by the GIROA.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported next quarter	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$318 million in first nine months of 1392 (ACD report)	Tracking only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** Based on ACD, the total value of export in the first nine months of 1392 is $318 million. **Disaggregation by Country:** Pakistan = $102 million India = $58 million UAE = $46 million Iran = $23 million Turkey = $20 million USA = $13 million China = $11 million Iraq = $10 million Turkmenistan = $9 million Tajikistan = $6 million Others = $19 million **Disaggregation by province:** Kandahar = $82 million Herat = $69 million Jalalabad = $63 million Kabul = $40 million And Khoi = $28 million Kabul Airport = $22 million Mazar = $9 million Others = US$ 6.6 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
6	Value of imports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$4.85 billion in first nine months of 1392 (ACD report)	Tracking only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on ACD, total value of Afghanistan import in the first nine months of 1392 was $4.85 billion. **Disaggregation by country:** Pakistan = $1,036 million Iran = $741 million China = $659 million Turkmenistan = $501 million Uzbekistan = $255 million Japan = $226 million Kazakhstan = $198 million Malysia = $183 million Russia = $181 million UAE = $121 million India = $107 million Others = $645 million **Disaggregation by province:** Jalalabad = $1,285 million Herat = $1,273 million Mazar = $661 million Nimruz = $614 million And Koi = $434 million Kandahar = $299 million Kabul = US$ 132 million Others = US4 153 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/ Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
9	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/ Impact USAID requested indicator	None	GIROA	Annual	27%	Will be reported next quarter	20%	10%	It is crucial to have reliable trade related data for policy and planning. ATAR will support ACD and CSO to harmonize trade related data between the two organizations. **Note:** Based on trade statistics data from ACD and CSO for the year 1391, the overall discrepancy was 27% (import 19% and export 35%). The project will report the discrepancy of 1392 once data received from CSO for this year.
PIR 1.1: WTO accession process finalized										
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	9	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quarterly	0	1	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR in Afghanistan.
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	1	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level (including by working group) with ATAR support. This mainly refers to the first draft finalized at the Ministerial level.
PIR 1.2: WTO implementation process developed and executed										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	20 (Participants: 176 male and 27 female)	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, round table discussions and other trade gathering.
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarterly	0	3 (Participants: 35 male and 28 female)	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	3 (Participants: 35 male and 28 female)	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator / Output USAID requested indicator	Province	Project records	Quarterly	0	2	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/ Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
18	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey	TBD from perception survey	10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted in Year 1 of the project to collect baseline information and annually thereafter targeting the same group
PIR 2: Regional and global integration enhanced										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records and MOCI	Quarterly	0	2	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support.
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/gender	Project Record and EPPA	Monthly	0	20	80	400	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
21	Number of laden vehicles crossing Torqundi, Hairatan, SherKan Bandar, Torkham, and Weish in each direction	Outcome/ Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: 66,851Imports 2,734 Exports Torqundi: 43,209 Imports 542 Exports Sher Khan Bandar: 4,050 Imports 16,199 Exports Torkham: 175, 770 Imports 32,451 Exports Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	1	6	24	This indicator will capture the number of interactions and dialogues between the businesses and government organizations in the region on policy reform issues.
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
24	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Perfor-mance Manageme nt and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6 (2012)	The project will report this indicator once the CPMM report for 2013 published by ADB	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the cost to travel 500 km per 20 ton is: Corridor 5 = $1,580 Corridor 6 = $719
25	Percentage share of trade with regional partners	Outcome/ Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator will capture the share Afghanistan trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
26	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$157 (2012)	The project will report this indicator once the CPMM report for 2013 published by ADB	Tracking only	Tracking only	The average of total expenses to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the average cost of crossing border is $157.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
27	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million in 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** Based on MOF Performance Report, the customs revenue in 1392 is Afs 49.4 billion = $875 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
28	Number of permanent professional positions allocated for women within ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	77	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
29	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
30	Average Customs processing time (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3 hours 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported in next quarter	TBD based on number of steps removed	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.
31	Number of documents/procedures required to import and export	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10, import 10, export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2014)	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
32	Time to export and import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	85 days, import, 81 days, export (World Bank Doing Business report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.
33	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline.
34	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
Cross-Component Indicators										
35	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	22 trainings 286 participants including 217 male and 69 female 222 persons days of training	30 trainings/ 300 participants	120 trainings/ 1200 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training.
36	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	1,554 (1,226 male, 328 female)	1500	6000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40. This target for this indicator is set based on indicator No. 46 (number of trainings) assuming that each ATAR-led training maybe be on an average 5 hours.

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FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

Annual Report

Nov. 7, 2013 – Nov. 6, 2014



Feb. 14, 2015

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ACRONYMS

ACBR	Afghanistan Commercial Business Registry
ACCI	Afghanistan Chamber of Commerce and Industry
ACD	Afghanistan Customs Department
ADB	Asian Development Bank
ANCA	Afghanistan National Customs Academy
ANDS	Afghanistan National Development Strategy
ANMSO	Afghanistan National Medical Services Organization
ANSA	Afghanistan National Standards Authority
APHA	Afghanistan Private Hospital Association
APTTA	Afghanistan-Pakistan Transit Trade Agreement
APTTCA	Afghanistan-Pakistan Transit Trade Coordinating Authority
ASYCUDA	Automated System for Customs Data
ATAR	Afghanistan Trade and Revenue Project
B2B	Business-to-Business
BCP	Border Crossing Point
BMM	Border Management Model
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CATF	Central Asia Trade Forum
CBTA	Cross-Border Transport of Persons, Vehicles, and Goods
CHAMP	Commercial Horticulture and Agriculture Program (CHAMP)
CITS	Comprehensive Integrated Tariff System
CLDP	Commercial Law Development Program
CPMM	CAREC Corridor Performance Management and Monitoring
CSO	Central Statistics Office
CVA	Customs Valuation Agreement
DAB	Da Afghanistan Bank
EDI	Electronic Data Interchange
EIF	Economic Integration Forum
ENP	Enquiry and Notification Point
E-Pay	Electronic Payment
EPAA	Export Promotion Agency of Afghanistan
EurAsEC	Eurasian Economic Community
GIROA	Government of the Islamic Republic of Afghanistan
IA	Internal Audit
ICD	Inland Clearance Depot
ITA	Information Technology Agreement
IEC	International Electrotechnical Commission
KIA	Kabul International Airport
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MEP	MacroEconomic Project
MOCI	Ministry of Commerce and Industries

MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOTCA	Ministry of Transportation and Civil Aviation
MOPH	Ministry of Public Health
MOU	Memorandum of Understanding
OSCE	Organization for Security and Co-operation in Europe
PATTTA	Pakistan Afghanistan Tajikistan Transit and Trade Agreement
PPQD	Plant Protection and Quarantine Department
PSU	Professional Standards Unit
REC	Regional Economic Cooperation project
SAARC	South Asia Association for Regional Cooperation
SAFTA	South Asian Free Trade Area Agreement
SATIS	SAARC Agreement on Trade in Services
TAFA	Trade Accession and Facilitation for Afghanistan Project
TBT	Technical Barriers to Trade
TFA	Trade Facilitation Agreement
TIFA	Trade and Investment Framework Agreement
TIR	Transports Internationaux Routiers
TOT	Training of Trainers
TPAU	Trade Policy Analysis Unit
TRACECA	Transport Corridor Europe-Caucasus-Asia
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TRSU	Trade Research and Statistics Unit
USPTO	United States Patent and Trademark Office
VAT	Value Added Tax
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WIS	Welfare Improvement Strategy
WTO	World Trade Organization

A. PROJECT OVERVIEW

Afghanistan has a rich history in trade, a prime position on the Silk Road, and the potential to dramatically increase its exports, including marble and saffron from Herat, lapis lazuli from Badakshan, pomegranates from Kandahar, and cashmere from Balkh. Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global trading market.

ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is based in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support regional customs activities as well as a presence in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan to strengthen Afghanistan's ties in Central Asia. ATAR also supports the Government of the Islamic Republic of Afghanistan (GIROA) and Afghanistan's traders in improving linkages with India and Pakistan.

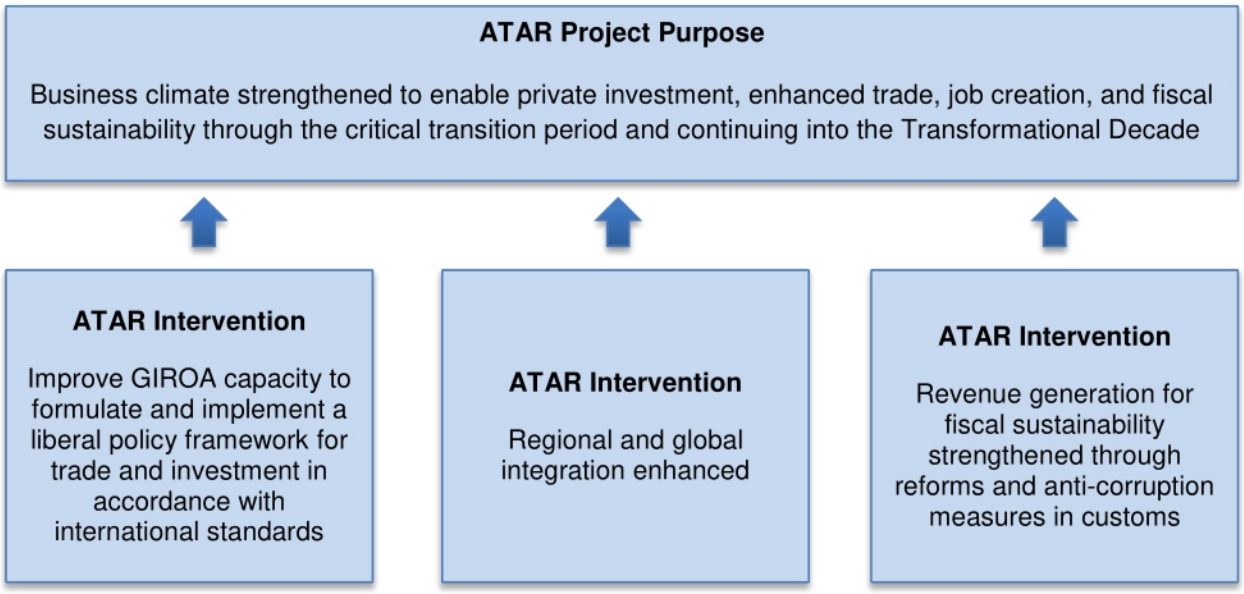
ATAR PROJECT MAP



In order to help Afghanistan fulfill its trading potential, ATAR is assisting GIROA to integrate Afghanistan into the international trading community through membership to the World Trade Organization (WTO), helping the country take advantage of its position on the famed Silk Road, and

revamping its customs procedures to reap the full benefits of regional and international trade. As Afghanistan enters a critical transition period, this improved business climate will pave the way for private investment, enhanced trade, job creation, and fiscal sustainability in the country.

ATAR SCOPE OF WORK[1]



ATAR is achieving its goal with its institutional partners through three components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to the WTO. This support is accomplished by building capacity and providing technical assistance within implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will attract investment and enable the private sector to grow.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists GIROA to support measures needed to implement regional trade agreements; and (3) supports the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with countries such as Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

[1] ATAR's scope of work is specified in its prime contract.

Component 3: Improved Customs Administration

Component 3 will enhance GIROA's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.[2]

[2] ATAR's Component 3 originally included support to GIROA in implementing value added tax (VAT). At the request of USAID, this activity was on hold throughout much of 2014 and removed in December 2014.

B. EXECUTIVE SUMMARY

ATAR is pleased to present this annual report spanning activities from the award of the project on Nov. 7, 2013, through the project's first contract year ending Nov. 6, 2014.

Upon execution of the prime contract, ATAR's chief of party mobilized immediately and arrived in Kabul on Nov. 12, 2013. Other expatriates worked remotely to develop ATAR's first-year work plan as they waited for their visas to enter the country. ATAR's expatriate and national staff were largely in place by December 2013, engaging immediately in stakeholder consultations and starting implementation of project activities.

Against a backdrop of political challenges and volatile security, ATAR made progress with GIROA and the private sector in improving Afghanistan's trade environment – laying the groundwork for the next three years of the project.

Among the highlights of the project's first year:

Component 1: Support Trade Policy Liberalization

- GIROA, with ATAR's support, completed bilateral market access negotiations on services within 18 months and bilateral market access negotiations on goods in about one year.[3] This compares with an average of six years for other countries. Afghanistan's bilateral market access negotiations on goods and services – around 60% of the WTO accession process – are now complete.

- With ATAR support, GIROA is prepared for its fifth, and possibly final, WTO Working Party meeting. The Working Party proceedings, which are 40% of the accession process, are largely complete other than adoption of WTO-related laws.

- GIROA, with ATAR's assistance, drafted new or reformed existing trade laws necessary for WTO accession. ATAR, which is embedded in the Ministry of Commerce and Industries (MOCI) and the Ministry of Justice (MOJ), provided continuous on-the-job training as well as dozens of workshops and working

AFGHANISTAN AND THE WTO

The objective to make Afghanistan a regional trade and transit hub and achieve sustainable economic growth through trade and investment cannot be achieved without broader integration into the world economy through WTO membership.

WTO accession was one of the main themes in the Afghanistan National Development Strategy, which was signed by President Karzai in 2008 and accepted by the World Bank as part of Afghanistan's Poverty Reduction Strategy Paper. In addition, accession by 2014 is one of the conditions of the Tokyo Conference.

More than two-thirds of WTO members are developing or least-developed countries. Many experienced an increase in investments and exports after joining WTO.

[3] ATAR continued support that had been provided by USAID's Trade Accession and Facilitation for Afghanistan (TAFA) project.

group meetings to build government capacity to implement the laws and to educate the private sector about the laws.

- The MOJ included the majority of the WTO-related draft trade laws on its legislative action plan for the Afghan year 1393[4] as a result of ATAR's efforts. After these laws are reviewed and approved by MOJ, they proceed to Afghanistan's Council of Ministers, then its Parliament, and finally to the President for approval and entry into force.

- Due to ATAR's collaboration with MOJ, the ministry approved and submitted six laws crucial to WTO accession to the next levels. The plant protection and quarantine law, and the amendments to the patent law, customs law, and copyright law are at the Council of Ministers; the law on indication of production place (formerly the law on geographical indication) advanced to Parliament; amendments to the trademark law have been approved by Parliament and will go to the President. Further, the Minister of Finance signed the procedure on intellectual property border enforcement, and the draft food safety law and the draft animal health law have been submitted to MOJ.

- With reliable data crucial to informed trade policy decisions, ATAR supported implementation of an agreement between the Central Statistics Organization (CSO), Afghanistan Customs Department (ACD), and Export Promotion Agency of Afghanistan (EPAA) to reduce discrepancies in trade statistics. ATAR and a predecessor project (USAID's Trade Accession and Facilitation for Afghanistan (TAFA) project) assisted in reducing discrepancies from around 70% to around 15%-20%.

- With ATAR, the Afghan National Standards Authority (ANSA) laid the foundation for a certification unit that will ensure products meet global standards. ATAR trained ANSA in certification and launched the process for establishing a training and information center at ANSA. With ATAR support, Afghanistan also became a full member of the International Standards Organization (ISO) in July 2014.

WHY CENTRAL AND SOUTH ASIA?

Afghanistan and the four Central Asian Republics (CARs) –Tajikistan, Uzbekistan, the Kyrgyz Republic, and Turkmenistan – are landlocked economies that rely on each other to access markets and open seas.

Afghanistan can improve connectivity among these nations by providing the CARs with the shortest route to seaports on the Arabian Sea; Afghanistan can bridge South Asia (Pakistan and India) with Central Asia and China, and it can facilitate east-west access (Tajikistan-Turkmenistan).

CARs, on the other hand, are critical for Afghanistan to access Europe, China, and the Mediterranean Sea. Similarly, Pakistan is vital for Afghanistan to access India, China, and the Arabian Sea.

Considering that Pakistan and India account for roughly 50 percent of Afghanistan's exports, ATAR began increasing its focus on South Asia toward the end of 2014 and will expand activities in the region in 2015.

[4] The solar year 1393 corresponds to March 21, 2014, through March 20, 2015, in the Gregorian calendar.

Component 2: Facilitate Enhanced Access to Regional Markets

- With ATAR's assistance, Afghanistan's Council of Ministers approved the Cross-Border Transport Agreement-Corridor 5 (CBTA-5) between Afghanistan, the Kyrgyz Republic, and Tajikistan in April 2014. Leading up to the approval, ATAR worked closely with GIROA on the CBTA and educated the government on its benefits. The CBTA aims to facilitate the movement of goods, vehicles, and people between the countries.

- With ATAR support, a new transit and transport initiative via Turkmenistan and Azerbaijan was launched, leading to a decision among the five countries (including Afghanistan, Georgia, and Turkey) to negotiate the "Lapis Lazuli" transport and transit agreement. ATAR, in addition, supported preliminary consultations to extend the Afghanistan-Pakistan Transit Trade Agreement (APTTA) to include Tajikistan. Further, ATAR supported liberalization within the South Asian Free Trade Area (SAFTA) agreement toward reducing sensitive lists.

- ATAR, in cooperation with regional chambers of commerce and the United Nations Development Program (UNDP), led a forum in Dushanbe, Tajikistan, in June 2014 for business representatives from Afghanistan, Kazakhstan, the Kyrgyz Republic, Pakistan, and Tajikistan. More than 100 traders, company officials, and entrepreneurs – including 15 Afghan men and women – participated. The event enabled South and Central Asian businesspeople to develop relationships, discuss deals, identify trade opportunities and constraints, and visit local companies.

- ATAR collaborated with other USAID projects to support Afghan agri-businesses in signing more than $8 million in deals at Gulfood in Dubai in February 2014. Twenty-one Afghan traders, almost half of whom were businesswomen, participated in the exhibition. ATAR invited seven of the companies and supported the businesspeople in negotiating deals with buyers and leading visits to local markets. ATAR-supported traders signed more than $1.9 million in deals.

CUSTOMS: AFGHANISTAN'S MAIN REVENUE SOURCE

Reform and modernization programs or capacity building programs assist a customs administration to make better use of its resources; strengthen its management capabilities; and develop effective and efficient systems, processes, and structures.

This is especially vital in Afghanistan, particularly at a time of declining donor support. Customs revenue comprises about 50 percent of GIROA's budget. ACD recognizes a portion of that revenue stream is lost to corruption each year and is working with ATAR to implement automated systems, such as electronic payment of duties, to stem the loss. ATAR is also working with ACD to improve the accuracy of its revenue reporting.

Component 3: Improved Customs Administration

- With ATAR support, the Afghanistan Customs Department (ACD), Da Afghanistan Bank, and commercial banks agreed to launch electronic payment of customs duties. This will allow traders to pay customs duties and related fees electronically at commercial banks, making trade easier by eliminating the need for cash

and reducing opportunities for corruption.

- ATAR, with ACD and the Afghan Border Police (ABP), completed a review of customs sites in Islam Qala in the west, Aqina in the northwest, Hairatan and Sher Khan Bandar in the north, Torkham in the east, and Kabul International Airport in central Afghanistan to assess compliance with the Border Management Model (BMM), which creates a formal partnership between ACD and ABP.

- ATAR reviewed ACD's risk management and import clearance systems and identified areas for improvement. ATAR provided training to ACD officials in risk management to improve their understanding and implementation of the internationally accepted approach to clearing cargo.

C. COMPONENT 1: TRADE POLICY LIBERALIZATION

1. Support WTO Accession Process

Afghanistan is now in the final stages of WTO accession. The country, with ATAR's support, took a major step toward WTO accession in February 2014 by finalizing bilateral negotiations on market access for goods and services.[5] Market access refers to the extent to which an imported good or service can compete in Afghanistan with the goods or services made in Afghanistan. Bilateral market access negotiations represent around 60 percent of the WTO accession process and are the most challenging of the process.

BI-LATERAL MARKET ACCESS AGREEMENTS

GIROA, with ATAR support, signed bilateral agreements on market access for goods and services with nine WTO members:

1. United States in January 2014
2. Turkey in February 2014
3. Chinese Taipei in February 2014
4. Korea in February 2014
5. European Union in February 2014
6. Norway in December 2013
7. Thailand in December 2013
8. Canada in July 2013*
9. Japan in July 2013*

*Afghanistan signed these with TAFA support.



Afghanistan's Deputy Minister of Commerce and Industries Mozammil Shinwari signed bilateral protocols with nine countries, including Turkey, Chinese Taipei, the European Union, and Korea (clockwise from top left).

[5] A country acceding to the WTO enters into bilateral negotiations with individual WTO members; they are bilateral because different countries have different trading interests. The negotiations cover tariffs, specific market access commitments, and other policies in goods and services.

Afghanistan completed its bilateral market access negotiations on services within 18 months (June 2012-January 2013) and its bilateral market access negotiations on goods in approximately one year (December 2012-January 2014). This compares with an average of six years for other countries.

ATAR supported GIROA in favorably addressing the most challenging requests made during December 2013 through January 2014. ATAR also assisted GIROA in consolidating and verifying the country's market access commitments on goods and services as well as fine-tuning its Information Technology Agreement (ITA) schedule – which is its list of information technology products, such as computers, that will be granted zero percent tariffs.[6] On Feb. 27, 2014, representatives from the nine countries held an informal working group meeting at WTO headquarters in Geneva, confirmed the Schedule on Commitments and Concessions on Goods and the Schedule of Specific Commitments on Services, and agreed to the official circulation of the schedules to other Working Party members. The two schedules are now ready to be incorporated into the accession package, which also consists of the draft Working Party Report and Afghanistan's Protocol of Accession.

AFGHANISTAN'S WTO PROGRESS

Afghanistan is in its final stages of WTO accession.

In early 2014, Afghanistan completed its bilateral market access negotiations, which represent around 60 percent of the WTO accession process.

By the end of 2014, Afghanistan's Working Party proceedings, which represent around 40 percent of the accession process, were 90 percent complete.

Remaining work relates to adoption of WTO-related legislation and resolution of certain policy issues, particularly replacing business receipt tax and fixed tax with value added tax and agreeing with concerned WTO members on local content requirements in the mineral sector.

Afghanistan's fifth Working Party meeting was scheduled for November 2013 and then for April 2014 with the concurrence of all WTO Working Party members.[7] The meeting was cancelled both times due in part to the protracted presidential elections and delays in government approval of travel of the Afghan delegation. Considering the country's significant progress in the past few years, Afghanistan's fifth meeting may be its final Working Party meeting before accession provided GIROA demonstrates progress in advancing its WTO legislative action plan by the time of the meeting.

The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government. Despite the delays, ATAR worked closely with GIROA to ensure it was well prepared for its fifth Working Party meeting. In addition to assistance in completion of market access negotiations, ATAR supported MOCI in revising its draft Working Party Report, which details Afghanistan's trade commitments and overall progress toward WTO accession.

[6] The ITA provides for participants to completely eliminate duties on information technology products covered by the agreement. Developing country participants have been granted extended periods for some products.

[7] When a country is in the process of joining the WTO, the main work begins at the WTO Working Party established to examine the country's accession terms (adherence to WTO rules, legislative reforms, possible transitional periods, etc.). The WTO Working Party meets periodically at WTO headquarters throughout the applicant country's accession process and is open to all WTO members.

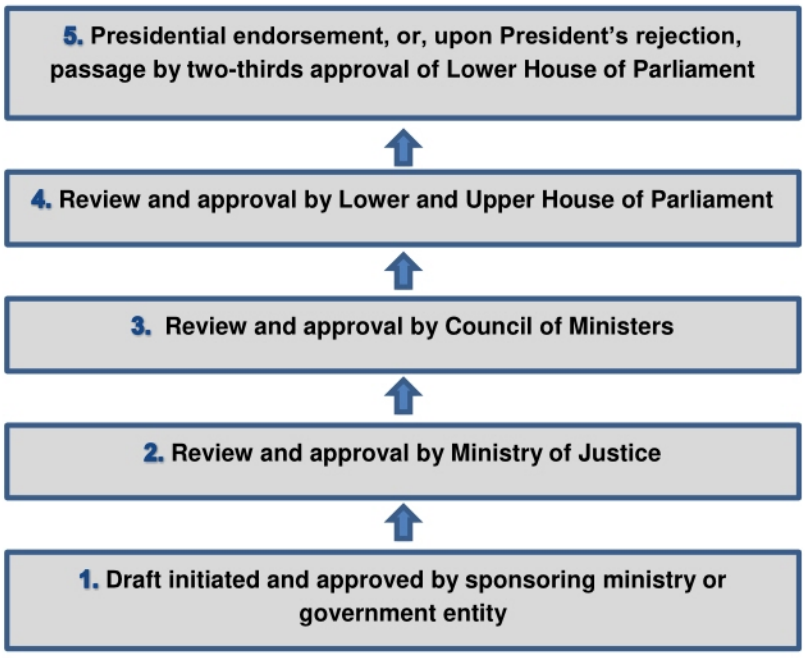
By late 2014, Afghanistan's Working Party proceedings, which are the remaining 40 percent of the accession process, were 90 percent complete other than adoption of WTO-related legislation (see next section) and the resolution of a few policy issues, such as foreign investment rules in Afghanistan's mining sector and the application of taxes on imports.

In December 2013, ATAR assisted MOCI in preparing a brief for President Karzai summarizing benefits that Afghanistan will gain from WTO membership as well as remaining steps that require intervention from the President. ATAR assisted MOCI in updating this note for President Ghani in October 2014.

2. Support Legislative Reforms for WTO Conformity

GIROA must reform and amend a wide array of legislation to conform to WTO rules and Afghanistan's commitments. To this end, Afghanistan drafted or substantially changed more than 26 pieces of legislation during the project year. These diverse laws cover every aspect of a modern, vibrant trading regime – including customs reform, trade facilitation, intellectual property rights, food safety, and standardization. ATAR assisted at every stage of the legislative process from line ministry to Parliament.

ATAR worked with GIROA throughout the year to draft, reform and prepare for implementation of these laws. This lengthy, complex process is presented in simplified form in the below chart.[8] The law is first drafted at the relevant line ministry – such as the ministries in charge of agriculture or public health. Then the law is submitted to MOJ for detailed review and approval (first at the MOJ legislative working group level and finally at the MOJ Executive Board). Upon approval by the MOJ, the draft proceeds to the Council of Ministers, onto the Parliament, and finally to the President for promulgation.



ATAR assists GIROA throughout the legislative process. At the initial level, ATAR supported line ministries in drafting the laws through multiple meetings with government stakeholders, the private sector, and academia.

ATAR worked closely with line ministries and MOJ to ensure to include the WTO draft legislation on MOJ's working agenda for the

[8] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

Afghan year 1393. All but four drafts were included by late 2014.

ATAR's ongoing work with MOJ led the acting Minister of Justice to establish working offices for ATAR inside the ministry from January 2014. ATAR supported the work of MOJ by helping to analyze, review, and amend draft laws at each stage of scrutiny by MOJ. The MOJ meetings often included other public or private stakeholders.

For those laws that reached the level of Parliament, ATAR supported MOJ in providing explanations, clarifications, and feedback as necessary. The effort, although led by relevant ministries at each stage, entailed significant capacity building by ATAR through on-the-job training and roundtables sharing the experience of other countries and explaining the impact of these new laws.

ATAR helped MOCI to maintain an updated WTO legislative tracking chart (see Annex A) and maintained English and Dari versions of all drafts as they moved through the legislative process. The following are highlights with respect to advancing WTO-related legislative reforms in 2014:

ATAR held 45 working group meetings, including the public and private sectors, to draft or reform trade-related legislation.

ATAR held 18 roundtables to discuss the legislation and 13 seminars to educate the public and private sectors on these reforms.

1. The draft law on trademarks was approved by MOJ, the Council of Ministers, and the Parliament.
2. The draft law on plant protection and quarantine was approved by MOJ and the Council of Ministers.
3. The draft law on indication of production place was approved by the MOJ and approved by the Council of Ministers and is under review of Parliament.
4. The draft law on customs was approved by MOJ and is at the Council of Ministers.
5. The draft law on patents was approved by MOJ and is under review by the Council of Ministers.
6. The draft law on copyrights was approved by MOJ and is under review of the Council of Ministers.
7. The draft law on animal health and veterinary public health was finalized by the Ministry of Agriculture, Irrigation and Livestock (MAIL) and submitted to MOJ. It is now under review of MOJ.
8. The draft law on foreign trade in goods was finalized by MOCI and is now under review by MOJ; WTO Working Party members also vetted the draft.
9. The procedure on customs control of intellectual property rights (intellectual property border enforcement) was approved by the Minister of Finance in April 2014; this is the final step for a procedure.
10. The revised draft on food safety was reviewed by the working group under the Ministry of Public Health (MOPH) and submitted to MOJ.
11. The draft law on national standards and technical regulations was revised by ANSA and is being reviewed by ATAR for conformity with WTO.

3. Build Sustainable Capacity for the Fulfillment of Key WTO Commitments

ATAR supported GIROA in fulfilling its WTO commitments. In particular, ATAR and GIROA focused on preparing Afghanistan for implementation of the following three WTO agreements: the Trade-Related

Intellectual Property Rights (TRIPS) Agreement, the Sanitary and Phytosanitary (SPS) Measures Agreement, and the Technical Barriers to Trade (TBT) Agreement.

In addition to fulfilling these commitments, ATAR supported GIROA in preparing for proper and effective administration of the safeguards law. Safeguards refer to permissible temporary protective measures that WTO members may exceptionally impose where domestic industries are being damaged by a surge in imports. ATAR further assisted Afghanistan in fulfilling its obligations under the WTO Customs Valuation Agreement (CVA). The CVA aims for a uniform and fair system for the valuation of goods for customs purposes. In practice, these valuation rules are a critical mechanism to ensure fair, predictable, and uniform application of tariffs among WTO members.

3.1 Intellectual Property Rights

The TRIPS Agreement requires WTO member to ensure strong protection of intellectual property rights. By bringing laws on intellectual property up to standards embodied by the WTO and international agreements, Afghanistan protects innovators in Afghanistan from infringements on original copyrights, patents, trademarks, or industrial designs.

In April, ATAR conducted a legal training on intellectual property rights for judges, prosecutors, defense attorneys, and members of the Ministry of Information and Culture's (MOIC) copyright office, including female attorneys. In June 2014, ATAR conducted copyright awareness training in partnership with the MOIC for 45 participants, including professors, academics, and government officials, to support the implementation of intellectual property legislation.

ATAR also supported intellectual property training abroad. The project facilitated and participated in a three-day training sponsored by the U.S. Embassy at the United States Patent and Trademark Office (USPTO) in the United States for 13 Afghan officials and parliamentarians, including four females, in September. In addition, ATAR conducted training on intellectual property rights for 18 Afghan customs students in early November at the Kyrgyz Customs Academy in partnership with the Organization for Security and Co-operation in Europe (OSCE).

To foster awareness of the copyrights law, ATAR assisted in developing informational materials, including pamphlets. In addition, ATAR supported the drafting of an initial memorandum for MOIC to formalize cooperation between copyright enforcement bodies, including customs, police, and prosecutors. ATAR also assisted MOIC in drafting sub-legislation for a copyright board and supported GIROA in launching the preparation of model legislation concerning other intellectual property laws, such as the law on indication of production place, the law on industrial designs, and the law on trade secrets.



In April, ATAR provided training on intellectual property rights for judges, prosecutors, defense attorneys, and MOIC staff.

Afghanistan joined the World Intellectual Property Organization (WIPO), the requirements of which are linked to WTO, in September 2005. For WTO membership, Afghanistan is expected to join certain WIPO-administered conventions.

In 2014, ATAR assisted MOIC in launching the process for securing membership in the Berne Convention, a treaty administered by WIPO for the protection of the rights of authors in literary and artistic works. With ATAR's assistance, MOIC drafted and submitted a letter to the Ministry of Foreign Affairs (MOFA) in November for further submission to WIPO to join the Berne Convention.

3.2 Sanitary and Phytosanitary Measures

The WTO's SPS Measures Agreement sets out the basic rules for food safety and animal and plant health regulations. In its draft Working Party Report for 2014, Afghanistan committed to the adoption of three SPS laws as well as the adoption of regulations and procedures in support of the new laws and training of relevant government officials.

During the year, ATAR began providing support to advance three key SPS laws: the law on food safety, law on animal health and veterinary public health, and law on plant protection and quarantine. In addition, ATAR assisted during the year in launching activities to prepare more than 40 sublegal acts (regulations and procedures) for implementing those laws.



ATAR provided training in animal health to MAIL in October in support of the law on animal health and veterinary public health.

ATAR helped MOPH and MAIL to establish appropriate working groups and build their capacity to advance these legislative reforms and ensure understanding of guidelines of the WTO's three sister SPS organizations: the Codex Alimentarius Commission for food safety and quality, the World Organisation for Animal Health (OIE) for animal health, and the International Plant Protection Convention (IPPC) for plant health.

Animal Health

During the year, ATAR worked with MAIL's Animal Health Directorate to develop 16 pieces of model legislation for consideration by the working group in support of the law on animal health and veterinary public health. ATAR held numerous seminars and roundtables to assist stakeholders in understanding the WTO SPS agreement and OIE guidelines and standards.

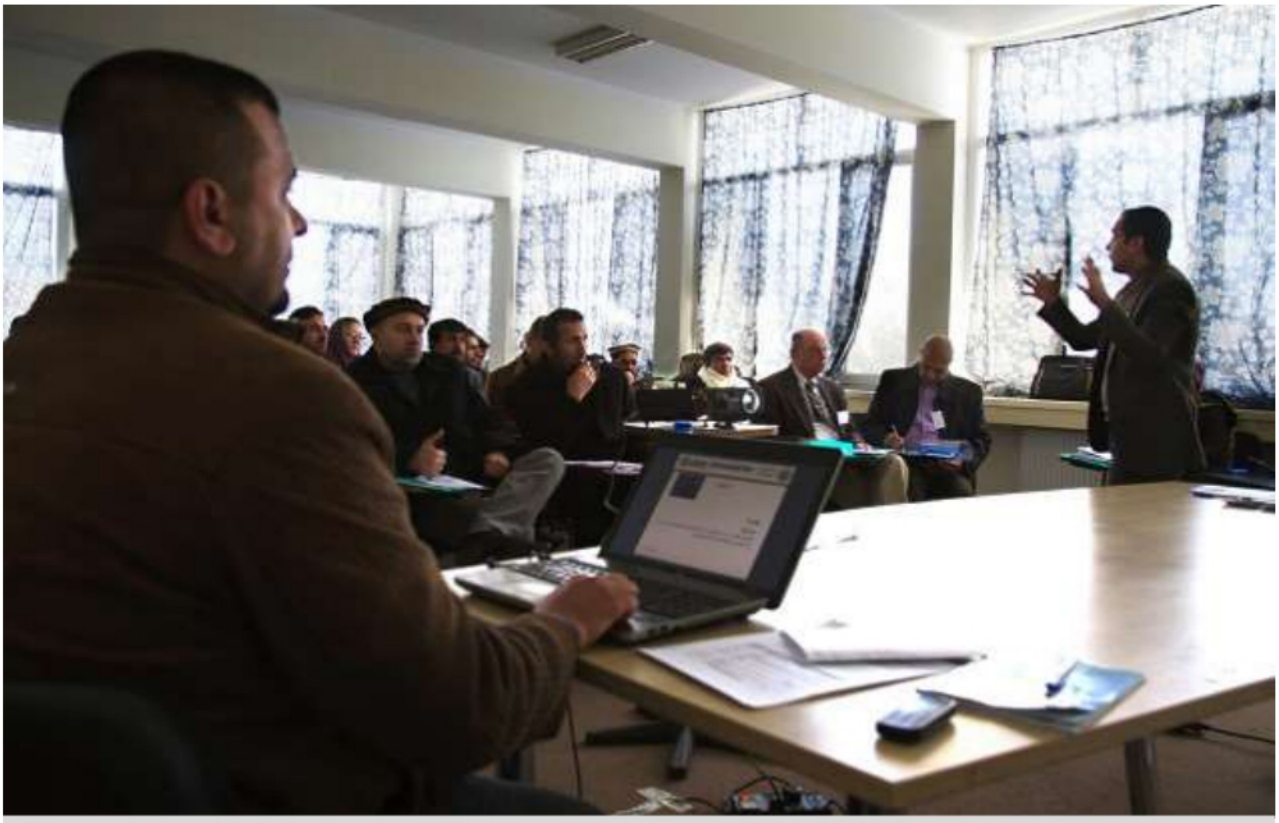
ATAR guided the working group in preparing draft implementing procedures based on the models. The procedures covers topics such as the functions of veterinary inspectors, handling of articles subject to veterinary control, and sanitary measures for the import and transit of animals.

Food Safety

During the year, ATAR supported the establishment of working groups under MOPH to develop 15 sublegal acts (regulations/procedures) covering key aspects of the law on food safety, including food additives, color additives, traceability, and exchange of information between countries on rejections of imported foods. ATAR delivered 25 roundtables and training seminars for public and private stakeholders to improve understanding of these concepts and share experience of other countries.

Phytosanitary

ATAR focused on supporting the development of key regulations or procedures for implementation of the law on plant quarantine and protection. ATAR analyzed the draft regulations prepared by MAIL's Plant Protection and Quarantine Department and provided comments and suggested legal recommendations to bring these regulations in line with IPPC requirements.



ATAR participated in a sanitary and phytosanitary coordination workshop in February designed to coordinate stakeholder activities.

In addition, ATAR assisted in the development of 16 procedures, covering topics such as application for license of imports of plants for consumption or processing and the creation of post-entry quarantine sites, taking into account IPPC. ATAR held numerous roundtables and seminars for members of the working group, established with the help of ATAR.

3.3 Technical Barriers to Trade

In its draft Working Party Report, Afghanistan committed to fully comply with the WTO TBT Agreement prior to accession. This includes setting up a fully operational "enquiry and notification point" and establishing a mechanism for confirming the equivalency of foreign technical regulations and results of conformity assessment procedures.

In 2014, ATAR supported ANSA in development of a draft procedure for coordination and cooperation between ANSA and other government entities to enable the country to notify WTO members of changes

in measures related to technical barriers to trade and to respond to enquiries from WTO members on Afghan standards, technical regulations, and conformity assessment procedures.

During 2014, ATAR began assisting ANSA in the development of an appropriate equivalence mechanism. This included drawing upon the experiences of other countries in implementing equivalence mechanisms. Equivalence is an important WTO TBT concept; it is designed to simplify trade by having WTO members accept, where feasible, the technical regulations and conformity assessment procedures of other trading partners, thus reducing duplication and red tape. ATAR will assist ANSA in conducting a needs assessment to allocate necessary resources to establish the unit in 2015.

3.4 Safeguards Unit at MOCI

While the WTO offers tremendous opportunities in terms of market access, WTO rules still allow countries to protect their market in exceptional cases. The safeguards law allows Afghanistan to impose temporary protection of its market where a sudden surge of imports of a particular product is causing serious injury to a domestic industry (or imminent threat of such injury). Afghanistan has no experience in administering safeguards and no institutions in place to conduct safeguards investigations and prepare and handle safeguards cases. The WTO requires that safeguards cases must be conducted in strict conformity with rules laid down in the WTO Safeguards Agreement.

During the year, ATAR provided a strategy paper on the establishment of a safeguards unit within MOCI to administer the safeguards law once adopted. The unit will be in charge of applying the rights and limits of the WTO Safeguards Agreement. The paper details administrative and office needs, structure, staff, and job and qualification descriptions for each position.

3.5 Afghan Customs Department

The CVA is one of the WTO's most complex agreements. The agreement provides an internationally agreed and consistent method for valuing goods for the purposes of applying custom tariffs. Correct application of these valuation methods is critical. Incorrect valuation of goods leads to incorrect tariff fees being applied. This in turn renders trading costs unpredictable and undermines the practical value of mutually negotiated tariff rates.

In support of Afghanistan's efforts toward fulfilling this agreement, ATAR developed a manual on customs valuation for training trainers, provided the manual to the Afghanistan National Customs Academy (ANCA), and delivered 22 sessions on customs valuation training to eight ACD and ANCA officials who have the capacity to train others. ATAR also assisted in the process of migrating ACD's customs valuation database to the Automated System for Customs Data (ASYCUDA) World.

4. Build Capacity and Technical/Financial Sustainability of ANSA

A lack of technical capacity and laboratory facilities capable of testing and certifying Afghan products in accordance with international standards prevents Afghanistan from expanding into regional markets, particularly CAR and India. Modernizing and building standards and certification capacity is crucial for increasing export opportunities and for Afghanistan's development. In support of this effort, ATAR works closely with ANSA, which is the key player in developing and implementing standards, to ensure quality goods are exported from and imported into Afghanistan.



An ANSA employee worked at one of its laboratories.

4.1 Certification Unit

During the year, ATAR assisted ANSA in launching the process for establishing a sustainable certification unit in compliance with international guidelines. ATAR assisted in the development of a road map for establishing the certification unit and the development of procedures, standard guidelines, and certification schemes. The initial focus of the unit will be on certification of food products, which is expected to occur in first half of 2015.

ATAR assisted ANSA in translation of relevant ISO manuals and guides for conformity assessment and in developing conformity assessment documentation based on ISO. ATAR also supported ANSA in developing fee procedures and structures for the unit and in developing a conformity assessment mark. ATAR, in addition, provided training to ANSA staff on conformity assessment and certification and provided ANSA with recommendations to train auditors and lead auditors. Lastly, ATAR assisted in launching the process of accreditation of the certification unit by reviewing and finalizing a memorandum of understanding (MOU) between ANSA and a Turkish accreditation agency.

4.2 ANSA Training and Information Center

In 2014, ATAR supported ANSA in launching the process of establishing a sustainable standards training and information center with the role of building capacity and awareness of ministries, state bodies, and the private sector about standardization and certification.

ATAR assisted ANSA in developing a syllabus and training material and revising existing training material for the planned center. Topics included the code of good practice for development, preparation, and adoption of standards; quality infrastructure for standardization and conformity assessment; conformity assessment principles; product certification; management system certification; food management system certification and procedures; and requirements and procedures for testing laboratories. In addition, ATAR delivered five seminars to build the capacity of potential trainers and facilitated participation in a training program in India for two ANSA staff who can serve as trainers in Afghanistan. ATAR also supported ANSA in its acquisition of 31 international standards.

4.3 ISO Membership and National ISO Mirror Committees

With the support of ATAR and TAFA, ANSA became a full-fledged member of ISO in July 2014. As a new ISO member, Afghanistan gained access to standards agreed upon by ISO member countries, which represent 90 percent of the world's gross national income. Afghanistan can vote in ISO technical and policy meetings and can sell and adopt ISO standards in Afghanistan. ISO standards are recognized worldwide and are so vital to facilitating global trade that the WTO uses them to set rules among its members.

During the first year, ATAR also assisted ANSA in establishing the five ISO "mirror" committees that will develop national sector-specific standards based on ISO principles. ATAR also is assisting in developing a financial sustainability plan to allow ANSA to become a self-sustainable entity.

ANSA MIRROR COMMITEES

ATAR assisted ANSA in establishing five mirror committees:

1. ISO/Technical Committee 28 - Petroleum products and lubricants
2. ISO/Technical Committee 34 - Food products
3. ISO/Technical Committee 38 - Textiles
4. ISO/Technical Committee 58 - Gas cylinders
5. ISO/Technical Committee 71 - Concrete, reinforced concrete and pre-stressed concrete

5. Assist in Building Capacity and Technical Sustainability of WTO Unit

Post-accession is equally, if not more, challenging than accession itself. This is particularly true for a least developed country such as Afghanistan. During October, ATAR began developing new terms of reference for MOCI's WTO Unit to assist in moving from preparing for WTO accession to handling post-accession matters. Among its duties, the WTO Unit will monitor and advise Afghanistan on implementation of its WTO commitments, assist in communications and notifications to the WTO, and monitor WTO compliance of other WTO members and assert Afghanistan's rights where needed.

The terms of reference will include defining functions of the WTO Unit, staff job descriptions, and qualification requirements. ATAR also launched the process of developing a staff retention and technical sustainability plan for the WTO Unit, including professional development training plans for the staff.

6. Assist in Building Analytical Capacity

6.1 Trade Policy Analysis Unit

MOCI's Trade Policy Analysis Unit (TPAU) aims to deepen and broaden Afghanistan's regional integration as well as support formulation of sound trade policy through analysis of trade data, such as imports and exports. In late 2013, MOCI increased the staff of the TPAU from three to 12 people, including three women. Throughout the year, ATAR focused on strengthening the analytical capacity of the TPAU to undertake advanced analytical work for simulating the impact and implication of trade policy reforms and informing policy and negotiations.

During the past year, ATAR built the capacity of the TPAU through about 30 interactive lectures on economic theory, application of economic policies related to trade, and the impact of sound policies on economic development. At the end of each lecture, case studies were examined as practical application of economic policy.

In addition, ATAR provided continuous on-the-job training and guided TPAU staff in constructing a partial equilibrium model to explore trade liberalization scenarios and in studying impact on trade including imports/exports, trade diversion, balance of payments, and fiscal revenue such as customs duties and other direct and indirect taxes.

Moreover, ATAR provided formal and on-the-job training to the TPAU and other departments within MOCI in charge of bilateral and regional trade agreements on analyzing sensitive products with the aim of reduction the SAFTA agreement sensitive list. (See Component 2: Afghanistan for further information.)

ATAR further guided and provided technical support to MOCI and ACD in the preparation of quarterly reviews on external trade, revenue, and trade policy and in the preparation of the Annual Trade Policy Review/Trade Policy Bulletin for the period of 2009-2013.

ATAR assisted the TPAU in involving students from academia from four local universities – Kabul University, Kardan University, Bakhter University and Dunya University – in the work of the TPAU as well as the Regional Strategic Study Center, a think tank, in the TPAU's work. Jointly with the TPAU, ATAR held more than ten seminars targeting the four universities with participation of select professors and students on trade policy analysis and held a half dozen seminars for the Regional Strategic Study Center on the trade policy review.



In partnership with ATAR, an employee of the Ministry of Commerce and Industries delivered a presentation on Afghanistan's trade policy and trade data to professors and students in September.

6.2 Central Statistics Office

In an effort to provide Afghanistan with reliable trade-related data for policy formulation and the private sector with reliable statistics for making sound business decisions. ATAR supported ACD and CSO to harmonize trade-related data between the two organizations. With guidance and support from ATAR, ACD and CSO signed in March 2014 an MOU that will promote cooperation in the area of import and export statistics for Afghanistan.

According to the MOU, CSO will get information on import/export statistics from ACD on a monthly basis within two weeks after the end of each month and process this information in accordance with the CSO reporting structure. ATAR provided two computers and one scanner to CSO to handle ACD data and provided training to CSO on ACD's data structure.

ATAR conducted roundtables involving CSO and ACD to assist in identifying reasons for discrepancies including: (i) country of origin versus country of departure; (ii) dutiable versus non-dutiable imports, such imports by the International Security Assistance Force, diplomatic missions, and international organizations; and (iii) manual versus ASYCUDA data. Discrepancies in trade statistics during year one were reduced from around 30% to around 15%.

ATAR also assisted ACD through on-the-job training in the identification of the top 200 revenue-generating products, including products with seasonal effects on revenue to be included in the customs valuation database, and in studying revenue gaps for four products (sugar, cooking oil, apples, and cement). In addition, ATAR, with the participation of a CSO representative, delivered six seminars to the MAIL statistics team on the introduction of statistics methods.

7. Assist in Building Nationwide WTO Awareness

In partnership with MOCI, ATAR delivered two WTO awareness seminar targeting MOJ and another targeting other USAID projects. ATAR developed a plan for a series of awareness seminars to be finalized with MOCI targeting MOJ, MAIL, MOPH, MOIC, Ministry of Finance, MOFA, ACD, ANSA, EPAA, universities and the private sector in key provinces of Afghanistan. The objective is to familiarize stakeholders with WTO agreements, principles, and rules; Afghanistan's status of accession and commitments; and the benefits and implications of WTO membership for Afghanistan's economic development and integration into the global trading system.



Ministry of Justice officials discussed legislation required for WTO accession at a seminar organized by ATAR in February.

D. COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. Afghanistan

1.1 Cross Border Transport Agreement

Tajikistan and the Kyrgyz Republic signed the Cross-Border Transport Agreement-Corridor 5 (CBTA) in December 2010 under the framework of the CAREC program. Tajikistan and the Kyrgyz Republic welcomed Afghanistan to the CBTA at a meeting in Bangkok, Thailand, in August 2011.

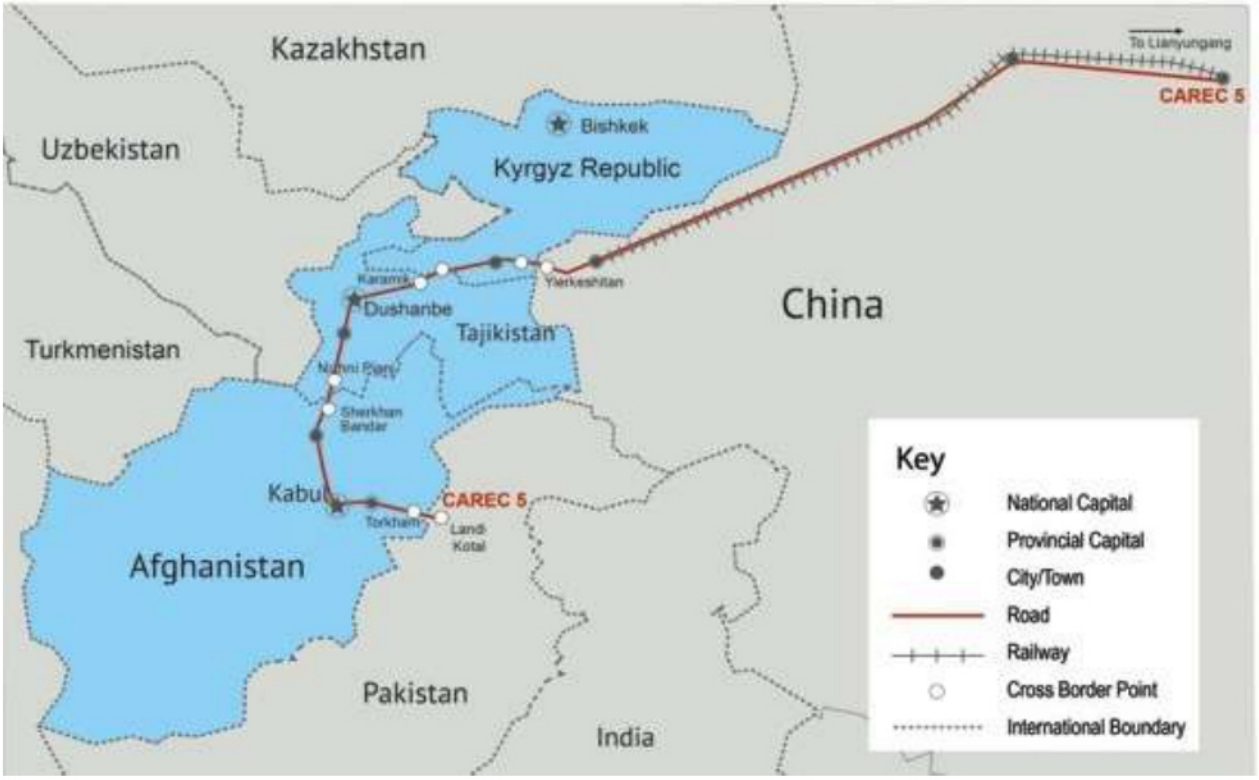
WHAT IS CBTA?

The CBTA between Afghanistan, the Kyrgyz Republic, and Tajikistan helps link East Asia with the Middle East and South Asia through Corridor 5. Corridor 5 connects East Asia to the Arabian Sea through Central Asia. The corridor is one of the six transport corridors that traverse the CAREC region. CAREC brings together Afghanistan, Azerbaijan, China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan and promotes regional projects.

Afghanistan signed the accession protocol to join the CBTA at the 10th CAREC ministerial conference held in Baku, Azerbaijan, in November 2011. However, there were some discrepancies and grammatical issues in the English and Russian versions of CBTA. The three countries agreed to fix the discrepancies and re-sign the accession protocol with the previous dates.

Throughout the first half of 2014, ATAR facilitated the re-approval by GIROA, including the Ministry of Transport and Civil Aviation (MOTCA), the Ministry of Foreign Affairs (MOFA), and the Council of

MAP OF CAREC CBTA-5



Ministers, and the re-signing of Afghanistan's protocol of accession by President Karzai in April 2014. ATAR developed briefs for MOTCA and MOFA to outline the benefits of the agreement. While the Kyrgyz Republic and Tajikistan may move forward with the ratification of Afghanistan's protocol of accession, border disputes and tension between the Kyrgyz Republic and Tajikistan have delayed ratification.

CBTA's main aim is to ease the movement of people, goods, and vehicles across borders. Vehicles and goods will be able to cross borders faster due to streamlined customs inspections and reduced requirements to transfer shipments between vehicles.

1.2 South Asia Free Trade Agreement

SAFTA is a regional free trade agreement between Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. These countries form the South Asian Association for Regional Cooperation (SAARC). The South Asian nations are among Afghanistan's most critical trading partners; Pakistan and India alone account for more than 50 percent of Afghanistan's exports. The agreement provides Afghan producers with greater and more consistent access to SAFTA markets and consumers with greater access to affordable, imported products. Afghanistan is also a member of the SAARC Agreement on Trade in Services (SATIS).

Throughout 2014, ATAR assisted MOCI in analyzing sensitive lists of Afghanistan and other SAFTA countries and developing proposals for the reduction of goods from the sensitive lists, which are lists of products that are of special interest to member countries and are exempted from low SAFTA tariffs.

ATAR also assisted MOCI in preparing to discuss key issues and completing relevant documents and reports ahead of the SAARC and SAFTA meetings held in New Delhi, India, in January, in Kathmandu, Nepal, in February 2014, and in Thimphu, Bhutan, on July 2014.

ATAR supported MOCI in preparing a report on notification of non-tariff measures and para-tariff measures by Afghanistan as per the format of the SAARC Secretariat. In addition, ATAR assisted in conducting a legal survey on

REGIONAL TRADE FACILITATION AGREEMENTS

ATAR assisted GIROA in improving regional trade by:

- Promoting the signing of the Mutual Assistance Agreement (MAA) on cooperation in Customs Matters between Afghanistan and Tajikistan (signed March 2014)
- Promoting the signing of the MOU between Afghanistan and Tajikistan on the Exchange of Information, the Harmonization of Documentation and other Matters associated with the Effective Control of Cross-Border Trade (both parties agreed to sign at the earliest meeting occasion)
- Supporting MOCI in preparing a model trade and transit agreement with Azerbaijan
- Supporting MOCI in preparing a model trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan
- Assisting in upgrading the draft trade and transit agreement with Uzbekistan
- Preparing a draft MAA between Afghanistan and Uzbekistan
- Preparing a draft MAA between Afghanistan and Turkmenistan
- Developing the Electronic Data Interchange (EDI) node and installing in test environment at ACD and the Kyrgyz and Tajik customs

services and cataloguing licensing requirements for the purpose of supporting implementation of the SATIS agreement.

1.3 Afghanistan Pakistan Transit Trade Agreement

The Afghan and Pakistani governments signed APTTA in October 2010, and the Afghan government ratified the agreement in January 2011. APTTA replaced an outdated 1965 transit agreement and updated and improved the joint transit system.

MAP OF APTTA ROUTES



ATAR supported MOCI in tracking and promoting progress in implementing decisions made during the fifth Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting on October 2013, including APTTA notification, elimination of the 110% ACD customs security, and elimination of the $100/$200 transit permit fee charged by MOCI. ATAR supported MOCI in preparing for the fifth APTTCA meeting on Jan. 1-2, 2015, including facilitating consultations with private sector and preparing a draft agenda.

MOCI worked with ATAR to develop a proposal to extend APTTA to Tajikistan, making it the Pakistan Afghanistan Tajikistan Transit and Trade Agreement (PATTTA). These were used as basis of discussions with Tajikistan in April-May 2014 toward facilitating accession of Tajikistan and agreeing on main points prior to launching of official negotiations.

1.4 Transports Internationaux Routiers Convention

TIR is a customs transit system that simplifies the movement of cargo across at least one international border. The principles and guidelines for implementing TIR are described in the TIR Convention 1975. In September 2013, TIR was reactivated in Afghanistan after three decades of suspension.

ATAR supported GIROA in helping Afghan exporters and transport operators in utilizing the TIR system, such as improving understanding of the convention and helping the private and public sectors become familiar with the use of a TIR Carnet, which is a customs transit document used to prove the existence of the international guarantee for duties and taxes for goods transported under the TIR system.

During the latter half of 2014, ATAR conducted TIR training to support TIR implementation. ATAR held a two-day TIR Train-the-Trainers Workshop at ANCA for 20 customs officers in September and a two-day TIR Awareness and Training seminar at the Association of Afghanistan Freight Forwarders Companies (AAFFCO) for 30 transport operators in September; and, in partnership with MOCI, began planning for a seminar on TIR for trade facilitation in November for government officials, freight forwarders, transporters and exporters.

ATAR also evaluated ACD's workflow and information systems to determine its integration and compliance with TIR, because customs plays an important role in verifying TIR documents. ATAR participated in the TIR workshops organized by the International Road Transport Union and Pakistan National Committee for International Chamber of Commerce (PNC-ICC) in Karachi, Lahore, and Islamabad in August and spoke about TIR and trade facilitation for Central and South Asia regions. ATAR established a working relationship with PNC-ICC and developed a TIR accession and implementation roadmap for Pakistan.

1.5 WTO Trade Facilitation Agreement

ATAR supported Afghanistan in completing a conformity assessment with the WTO Trade Facilitation Agreement (TFA). ATAR conducted a two-day workshop on the WTO TFA at MOCI in June for more than 50 government officials, brokers, and trade representatives to seek their input and feedback regarding the level of current legal conformity and state of practice with respect to the provisions of the WTO TFA.

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, is a major positive development as it brings together a number of improved WCO Revised Kyoto Convention provisions, a number of improved provisions in existing WTO agreements, and new provisions. This new agreement presents a new framework for promoting

PARTNERSHIP WITH EPAA

In order to strengthen EPAA and its ability to serve Afghanistan exporters, ATAR:

- Supported EPAA in February 2014 in attending a cluster meeting in Italy for preparation of participation in Expo Milano 2015.
- Provided support in February-May 2014 to EPAA in the participation of an Afghan delegation in Domotex Shanghai and World Food in Azerbaijan.
- Provided support in June 2014 to EPAA in the preparation and implementation of a business-to-business meeting agenda in India.
- Facilitated the participation of EPAA and the private sector in the World Food Exhibition in Almaty, Kazakhstan, in November 2014.
- Facilitated, in coordination with USAID's Regional Economic Cooperation (REC) project, the participation of EPAA and private sector in the Central Asia Trade Forum (CATF) in Almaty, Kazakhstan, in October 2014.

regional reforms to facilitate trade, reduce corruption, improve transparency and private sector participation, and strengthen transit rights.

1.6 Electronic Data Interchange

ATAR assisted in developing and installing in a test environment the Afghan node for a regional Electronic Data Interchange (EDI) system with Tajikistan and Kyrgyzstan; customs-to-customs electronic data interchange will increase cross-border cooperation, reduce corruption, and enable pre-arrival declarations, and sharing of trade and transit information. ATAR developed a user and administrative manual and provided related training to ACD.

1.7 Trade and Business Promotion

Throughout 2014, ATAR worked with EPAA, an executive agency of MOCI, to build the agency's capacity to serve Afghan exporters and help them expand their markets. ATAR assisted EPAA in developing its export promotion plan for 2014, guiding actions in Central Asia, South Asia, the European Union, and the United States.

ATAR also conducted eight training sessions on market research for exports for 16 EPAA and MOCI staff and traders and 12 training sessions on supply chain management for exports, with the participation of 13 EPAA and MOCI staff and traders. In addition, ATAR assisted EPAA in completing cost-competitive analyses for three Afghan products: almonds, raisins, and figs. ATAR provided support to the development of EPAA website and assisted in developing branding material for seven Afghan products

In addition to working with EPAA to provide on-the-job and formal training, ATAR coordinated with USAID trade-related projects to support Afghan traders and help them access new markets.

In May, in coordination with USAID's Commercial Horticulture and Agricultural Program (CHAMP), ATAR held meetings to identify problems faced by Afghan fruit traders on both sides of Wagah, the border crossing between Pakistan and India. Stakeholders pointed to a number of issues, including truckers lacking proper visas to transport goods from country to country, a dearth of parking and shade for trucks, no priority for trucks carrying perishable goods, delays due to a single customs shift, inadequate scanning facilities for 40-foot containers, and delays in transit codes being sent by Pakistan customs from the entry port to Pakistan customs at the exit port in Wagah.

ATAR supported Afghanistan's participation Central Asian Business Opportunities Conference (CABOC), which was organized by USAID's Pakistan Trade Project (PTP) in April 14-16, 2014. ATAR held roundtables prior to CABOC in which businesses were asked to identify their main trade obstacles. As well, ATAR encouraged Afghan businesses and government to actively participate in the event, supporting logistical, security, and technical preparations.



ATAR met with Afghan fruit and vegetable traders in February to discuss their trade challenges.

ATAR also worked with USAID's CHAMP and USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project to support Afghanistan's participation in the Gulfood Exhibition in Dubai in February. Twenty-one Afghan traders, almost half of whom were Afghan businesswomen, displayed pomegranates, juice, apples, saffron, dried fruit, and nuts at Gulfood on Feb. 23-27. Gulfood is the world's biggest annual food exhibition with 4,500 exhibitors and tens of thousands of buyers and visitors.

Importers from Saudi Arabia, the United Arab Emirates, Spain, Malaysia, China, Turkey, India, Bahrain and the United States signed more than $8 million dollars' worth of contracts for Afghan figs, pine nuts, dried apricots, walnuts, almonds, juices, and saffron. The USAID projects rented and designed Afghanistan's pavilion, developed promotional materials and supported the traders in deal negotiations.



ATAR worked with other USAID projects to support Afghanistan's participation in Gulfood in Dubai in February.

In cooperation with FLAGG International, ATAR facilitated the participation of five Afghan marble producers in the Turkmen Construction Exhibition in Ashgabat in August. During the exhibition, Afghan construction companies discussed business opportunities with international construction companies and businesses and international construction companies from France, Turkey, and China working in Turkmenistan. Although no deals were finalized, the companies expressed interest in Afghanistan's marble. The Turkmen-based companies said that Afghanistan's marble is cheaper than that of Greece and Turkey and is of comparable or better quality.

2. The Kyrgyz Republic[9]

2.1 Cross-Border Transport Agreement

ATAR followed up on a regular basis regarding launching the ratification of Afghanistan's protocol of accession to CBTA with the Kyrgyz Republic's Ministry of Transport, Ministry of Foreign Affairs, and Advisor to the Prime Minister. After significant research, ATAR discovered the Kyrgyz Ministry of Foreign Affairs had not received the original version signed by all three countries. ATAR assisted in tracking the location of the signed protocol, which was misplaced and forgotten at the Kyrgyz Embassy in Kabul. The Kyrgyz Embassy forwarded the signed protocol of accession the Kyrgyz Ministry of Foreign Affairs late October 2014. ATAR confirmed receipt by the Kyrgyz Ministry of Foreign Affairs and started dialogue with the Ministry of Transport and other stakeholders to promote the ratification of the protocol of accession of Afghanistan to CBTA.

2.2 Customs Risk Management and Post Clearance

A modern customs administration should intervene in transactions only by exception, where the transaction presents an unacceptable risk or threat of non-compliance with customs rules. This requires the establishment of robust information collation that supports a risk-selectivity system that is effectively applied and supported by a post-clearance customs audit program. Under such systems, resources of customs and other border agencies should focus on trade transactions that pose the greatest risk, and allow all other trade transactions to be cleared with minimal or no controls.

The WCO Revised Kyoto Convention (RKC) and the WTO TFA require the institution of risk management and post clearance audit practices as well as facilitation measures for authorized operators. In addition, the CBTA between Afghanistan, the Kyrgyz Republic, and Tajikistan requires the adoption of risk management techniques. The Kyrgyz Republic has the preliminary elements of automated selectivity for front-end risk management, but lacks depth of capacity in information collection, intelligence, and customs audit.

In an effort to further the implementation of the WTO TFA and the CBTA, ATAR provided the following support with regard to risk management and post clearance audit:

- Proposed a database structure for use by Kyrgyz customs in support of risk management and assisted Kyrgyz customs in populating to develop risk profiles.
- Developed a methodology and guidelines for risk profiling based on best practices.
- Assisting Kyrgyz customs through on-the-job training in developing three risk profiles based on a new methodology.
- Reviewed the current legal framework governing risk management for assessing conformity with relevant RKC standards and recommendations.
- Delivered two roundtables for Kyrgyz customs on risk management.
- Provided an audit process manual.

[9] See section 6 "Cross-Cutting Regional Activities" for more information.

- Developed a proposal for a risk-based approach to selecting clients and scheduling post-clearance audits.
- Developed a conceptual design for Kyrgyz customs for an information technology system to coordinate with law enforcement in support of risk management.

2.3 WTO Trade Facilitation Agreement

ATAR supported the Kyrgyz Republic in conducting a conformity assessment with the WTO TFA and enabling understanding of the agreement.

In April 7-8, ATAR gave a presentation on the provisions of the WTO TFA and its implementation requirements for the Kyrgyz Republic's Ministry of Economy, State Customs Service, Chamber of Commerce and Industries, customs brokers, and transport operators. The Kyrgyz Republic's deputy minister of economy opened the workshop. In addition to the workshop, ATAR conducted interviews with officials from relevant agencies and private-sector representatives to collect information on the current situation. ATAR used this information to draft the TFA assessment in the second half of April.

On June 16-18, ATAR conducted a workshop in Bishkek, Kyrgyz Republic, with the WTO Secretariat to present the project's draft assessment on the Kyrgyz Republic's conformity with the WTO TFA. Forty-four participants from the public and private sector reviewed the TFA and discussed the state of compliance of the legislative framework and practices in Kyrgyz Republic. ATAR is finalizing the assessment with input and feedback from workshop participants.

The Kyrgyz Republic notified the WTO Secretariat on Category A – provisions the member will implement by the time the agreement enters into force (or in the case of a least-developed country member within one year after entry into force) – in accordance with the ATAR findings.

2.4 Electronic Data Interchange

ATAR assisted in developing and installing in a test environment the Kyrgyz node for a regional customs-to-customs EDI system with Tajikistan and Afghanistan. The node is ready to be linked once the Kyrgyz Republic and Tajikistan agree to the exchange of data, a decision pending resolution of current political tension between both countries. The EDI will increase cross-border cooperation, reduce corruption, and enable pre-arrival declarations and sharing of trade and transit information.

2.5 Comprehensive Integrated Tariff System

ATAR assisted in the development of the Comprehensive Integrated Tariff System (CITS), which would ensure greater transparency and easy access to information regarding import and export trade regulations. ATAR verified data in CITS with relevant Kyrgyz agencies to ensure updated and comprehensive content. ATAR presented the CITS to ACD and the Single Window Team under the Ministry of Economy. ATAR learned an outside information technology firm developed a similar system for Kyrgyz customs. Since the Kyrgyz system coverage of tariff and non-tariff barriers is not comprehensive and has limited search capability, ATAR will continue to work with Kyrgyz customs on either expanding its system or adopting the CITS developed by ATAR.

2.6 Trade and Business Promotion

In an effort to promote regional trade, ATAR identified trade opportunities between the Kyrgyz Republic and Afghanistan, India, and Pakistan. ATAR also conducted a three-day course on export development in May for producers, suppliers, and trade representatives in the Kyrgyz Republic. Fifty people participated, including representatives from the Kyrgyz Chamber of Commerce and Industries, GIZ, trade associations, and producers. One Afghan trader in the process of opening an office in Bishkek attended.

3. Tajikistan[10]

3.1 Pakistan-Afghanistan-Tajikistan Transit Trade Agreement

ATAR facilitated the process for Tajikistan joining APTTA, which would be renamed PATTTA. In cooperation with Tajik's Ministry of Economic Development and Trade (MEDT) and the Tajikistan Chamber of Commerce and Industry, ATAR held roundtable in February to help the private sector understand APTTA/PATTTA. ATAR translated the combined Afghan and Tajik counter-proposal to the proposed trilateral PATTTA into the Russian language and provided the document to MEDT in April.



In partnership with the Tajikistan Chamber of Commerce and Industry, ATAR held a presentation on APTTA for Tajikistan's private sector in February.

[10] See section 6 "Cross-Cutting Regional Activities" for more information.

In addition, ATAR provided guidance, technical support, and clarifications to MEDT officials and the Tajikistan Ambassador to Pakistan prior to their bilateral informal meetings on PATTTA with Afghanistan and Pakistan. Due to this effort, the bilateral meetings between Afghanistan and Pakistan in spring 2014 on coordinating the PATTTA negotiation were successful.

3.2 Customs-Related Agreements/MOUs

In order to increase bilateral cooperation, information sharing, and harmonization of documents between Afghanistan and Tajikistan, ATAR promoted the signing of the Mutual Assistance Agreement on Cooperation in Customs Matters between Afghanistan and Tajikistan; this was signed March 2014, and Tajikistan ratified the MAA in August 2014.

ATAR also promoted the signing of the MOU between Afghanistan and Tajikistan on the Exchange of Information, the Harmonization of Documentation and other Matters associated with the Effective Control of Cross-Border Trade; both parties agreed to sign at the earliest occasion.

3.3 Customs Risk Management and Post Clearance

Like the Kyrgyz Republic, Tajikistan has the preliminary elements of automated selectivity for front-end risk management, but lacks depth of capacity in information collection, intelligence, and customs audit. In an effort to align with the WTO TFA, RKC, and CBTA, ATAR provided the following support with regard to risk management and post clearance audit:

- Proposed a database structure for use by Tajik customs in support of risk management. Tajik customs launched the process for populating the database, which will be used as a basis for developing risk profiles.
- Developed a methodology and guidelines for risk profiling based on best practices.
- Developed a proposal for a risk-based approach to selection of clients and scheduling of post-clearance audits.
- Developed a proposal for information security.

3.4 WTO Trade Facilitation Agreement

ATAR completed a conformity assessment with the WTO TFA for Tajikistan. Showing a high level of interest in the outcome of the assessment, Tajik customs requested a copy in Russian. ATAR discussed with MEDT the need to lead a public-private dialogue, including Tajik customs, to verify findings and finalize the assessment.

3.5 Electronic Data Interchange

ATAR assisted in developing and installing in a test environment the Tajik node for a regional EDI system with the Kyrgyz Republic and Afghanistan; this will introduce a customs-to-customs electronic data interchange to increase cross-border cooperation, reduce corruption, and enable pre-arrival declarations and sharing of trade and transit information. ATAR developed manuals for the database

administrators and the operational users and provided training to the Tajik customs information technology unit.

3.6 Comprehensive Integrated Tariff System

ATAR assisted in the development of CITS, which would ensure greater transparency and easy access to information regarding import and export trade regulations. ATAR presented CITS to both the Tajik customs database administrators and the Tajik State Unitary Enterprise (SUE) Single Window database administrators. ATAR installed the CITS program in a test environment and provided on-the-job training to the SUE Single Window staff. ATAR also developed manuals for database administrators and users.

3.7 Trade Documents/Procedures and Single Window

ATAR prepared an analysis of the harmonization of the trade documents required for border crossing. The study found the six trade documents are harmonized in accordance with national legislation and international conventions, but a problem exists in accessing these documents on-line; this will be resolved with the introduction of the single window system in 2015.

ATAR provided support to advance the single window effort, which is led by the European Union and GIZ. ATAR reviewed a test application of the single window program and offered feedback on legal and procedural issues.

Further, ATAR, in conjunction with GIZ, provided support to the one stop concept for border crossing by proposing an action plan for implementation. ATAR visited Tajikistan's border crossing point with Afghanistan at Nizhny Panj and evaluated the one stop concept in practice. ATAR also supported improvement of the one stop principles by preparing an analyses of all agency border clearance procedures and discussing the need for a national strategy, action plan, and inter-agency working group to support coordinated border management.

3.8 Veterinary Service Support

To facilitate the introduction of sound veterinary risk analysis and cooperation between the Afghan and Tajik veterinary services, ATAR provided the Tajik State Veterinary Inspection Service with the following support:

- Developed an "Agreement between the Government of the Republic of Tajikistan and the Government of the Islamic Republic of Afghanistan on Cooperation and Mutual Assistance in Veterinary Science Matters" in three languages: English, Tajik and Dari.
- Developed a "risk analysis framework" and presentation for integration of risk management principles.
- Supported roundtables with GIZ on the implementation of risk management principles and sharing of risk data with other border agencies.

3.9 Trade and Business Promotion

Trade and Business Promotion

In an effort to promote regional trade, ATAR identified trade opportunities between Tajikistan and Afghanistan, India, and Pakistan. In partnership with the UNDP Aid for Trade project and the Sugd Regional Chamber of Commerce and Industry in Tajikistan, ATAR delivered a three-day seminar in May to develop the capacity of Tajik exporters. The seminar covered marketing skills needed to benefit from regional opportunities and public-private dialogue to address regional trade. There were also sessions on trade policies, adhering to international standards, and marketing in Afghanistan and Pakistan. About 28 exporters participated in the event.



ATAR held a three-day seminar to develop the capacity of exporters in Tajikistan in May.

ATAR worked with regional chambers and UNDP to organize a business-to-business (B2B) event in Dushanbe on June 23-24, including businesspersons from Afghanistan, Kazakhstan, Kyrgyzstan, Pakistan, and Tajikistan. More than 100 traders, company officials, and entrepreneurs – including 15 Afghan men and women – participated. The event enabled South and Central Asian businesspeople to develop relationships, discuss deals, identify trade opportunities and constraints, and visit local companies. Participants also discussed a platform for cooperation among chambers in the region to share trade information and help resolve trade and transit problems. The MOCI Commercial Attaché was instrumental in bringing 10 Afghan traders based in Tajikistan to the event.

4. Turkmenistan

ATAR supported USAID in Ashgabat in presenting the project to the Turkmen government. As of this date, there was no approval to fully engage.

The main priority of the Turkmen government in 2014 was to develop export capacity. In line with that goal, ATAR developed an outline for a three-day series of seminars on export development. ATAR developed training materials and translated them into Russian; the seminars are pending approval of the Turkmen government.

Given the interest of Turkmenistan in considering application for WTO membership and the positive impact of such efforts on regional trade, ATAR completed a detailed assessment of the Turkmen Customs Code with relevant WTO agreements and RKC; ATAR is translating the analysis to Russian for transmission by USAID/Ashgabat to the Ministry of Foreign Affairs. ATAR also launched a conformity assessment of Turkmen legislation with the WTO TFA.

In support of promoting regional trade, ATAR identified trade opportunities between Turkmenistan and Afghanistan, India, and Pakistan. ATAR also facilitated engagement of Turkmen businesses with Afghan marble producers and exporters during the Turkmen Construction Exhibition in August. In addition, ATAR facilitated, in coordination with REC, the participation of the Turkmen private sector in CATF in Almaty, Kazakhstan in October.

5. Uzbekistan[11]

ATAR supported USAID in presenting the project to the Uzbek government. As of this date, there was no approval to fully engage.

In support of promoting regional trade, ATAR identified trade opportunities between Uzbekistan and Afghanistan, India, and Pakistan. ATAR also facilitated, in coordination with REC, the participation of the Uzbek private sector in CATF in Almaty, Kazakhstan in October.

In November, ATAR launched a diagnostic of problems at Termez-Hairatan with the aim of developing recommendations for addressing them and began identification of top 10 non-tariff barriers to trade with the aim of developing appropriate recommendations for phase-out and elimination.

6. Cross-Cutting Regional Activities

In all of its events, ATAR sought to include stakeholders from Afghanistan, the CARs, and South Asia whenever possible to enable them to build business relationships, explore trade opportunities, and find solutions to trade and transit problems. In just one examples, the business-to-business event in Dushanbe in June 2012 brought regional stakeholders together to identify regional trade opportunities and challenges.

[11] See section 6 “Cross-Cutting Regional Activities” for more information.

In the Dushanbe event, ATAR facilitated policy dialogue session and discussions among the regional chambers. As a result of those discussions, ATAR assisted in the development of an MOU for a framework for cooperation among the chambers of commerce of Afghanistan, Tajikistan, Pakistan, and the Kyrgyz Republic; the chambers are reviewing the MOU, and ATAR is following up with the chambers. ATAR also consulted with the TCCI for its participation and adoption in a proposal for joint business council with their Kyrgyz and Afghan counterparts.



An Afghan businesswoman (right) examined the handmade jewelry of a Tajik trader in Dushanbe. She was one of 15 members of Afghanistan's business community at the Dushanbe business event in June.

ATAR also supported regional trade events as a project by offering input as needed and gaining feedback from regional stakeholders. ATAR participated in the US-CAR TIFA customs working group meeting held in Bishkek in September with customs officials from Afghanistan, Kazakhstan, Kyrgyz Republic, and Tajikistan. In addition, ATAR made significant contributions to the trade policy conference "Expanding Central and South Asia's Regional Trade" in July in Astana, Kazakhstan, and organized by USAID's MacroEconomic Project (MEP). ATAR delivered five lectures and moderated two sessions.

In support of promoting regional trade, ATAR completed WTO TFA conformity assessments for Afghanistan, Kyrgyz Republic, and Tajikistan. ATAR launched the assessment for Turkmenistan and will soon launch the assessment for Uzbekistan. ATAR will prepare a comparative summary once assessments are completed for Turkmenistan and Uzbekistan.

In an effort to promote risk management and customs-to-customs cooperation as called for in the WTO TFA, ATAR prepared a regional model MOU on cooperation on risk management for consideration and discussion between Afghanistan, Tajikistan, and Kyrgyzstan.

ATAR also embarked on special studies to promote regional economic cooperation. ATAR:

- Launched a study to explore opportunities and challenges, based on economic analysis, for intra- and inter-regional trade in the Central and South Asia by analyzing trade competitiveness and complementarities and the comparative advantages of the region's economies. This study covers Afghanistan, India, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. This is expected to be completed in February 2015.
- Completed report on identification on CAR, Afghanistan, India, and Pakistan products of interest to traders in the region.
- Completed a preliminary draft of a regional study on fortified wheat flour in Afghanistan, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, and Uzbekistan. The draft contains a comparative table along with recommendations for harmonization and adherence to best practices. Data from Uzbekistan Ministry of Health has not been received. The report has been shared with regional USAID officials and Global Alliance for Improved Nutrition (GAIN).
- Prepared terms of reference for launching in November a study on potential impact of extending APTTA and in February 2015 a route mapping study for routes linking Uzbekistan to India and open seas.

E. COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. Improved Tax Administration

While customs duties make up nearly half of GIROA's government revenue collection, VAT levied by customs on imported goods could generate even more revenue. Afghanistan's Lower House approved the country's VAT law in spring 2014, and the Upper House of Parliament approved the country's VAT law in autumn 2014.

ATAR fielded an expatriate VAT specialist in December 2013 to prepare for implementation of VAT by GIROA. The VAT specialist began working with the Afghanistan Revenue Department (ARD) and ACD to plan for VAT activities for the project's first year. In the first half of 2014, ATAR temporarily removed VAT activities from its work plan pending further direction from USAID. In December 2014, ATAR received instruction from USAID to permanently remove VAT activities from the project's plans.

2. Improved Customs Administration

2.1 Support Regional Integration

ATAR ensured dialogue with colleagues based within the CAR states in an effort to facilitate a standardized approach to the application of risk management processes and procedures in a regional context. This included the sharing of relevant information, which documented how risk management is being implemented and operated within Afghanistan. The objective is to ensure that all regional countries operate harmonized risk management operating procedures, which will facilitate cross-border traffic. See Component 2 for further information on regional integration between Afghanistan and the CARs.

2.2 Institutionalize the Border Management Model

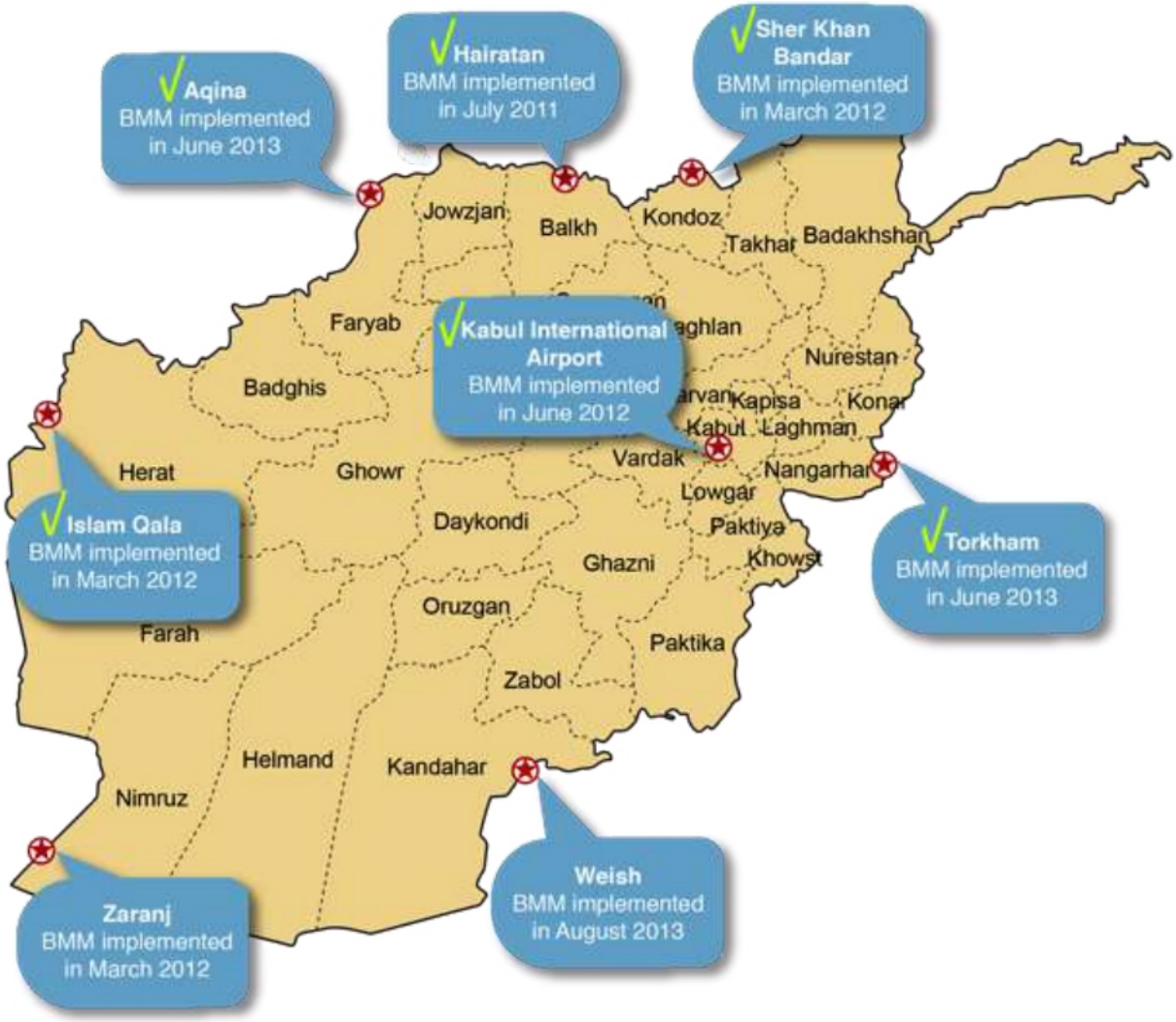
Afghanistan faces the challenge of increasing trade with neighboring countries while preventing illicit activities such as smuggling. Afghanistan's Border Management Model (BMM) establishes clear roles and responsibilities for ACD, which is responsible for cross-border trade, and the Afghan Border Police (ABP), which is charged with immigration and national security at the borders. The model encourages information sharing between the two entities to stem corruption, smuggling, and other illegal activities. The aim of the model is also to reduce interaction with other agencies operating at the border, thereby speeding trade across the border.

In July 2011, the BMM was implemented on a pilot basis at the Hairatan Border Crossing Point (BCP) in Balkh province. Following this successful initial implementation, between 2012 and 2013, ACD implemented the BMM at the following additional locations: Kabul International Airport (KIA), Sher Khan Bandar in Kunduz province, Islam Qala in Herat province, Zaranj in Nimruz province, Torkham in Nangarhar province, Weish in Kandahar province, and Aquina in Faryab province.

Between July 2014 and September 2014, ATAR, in cooperation with ACD and ABP, undertook an assessment of six of the sites to ensure those locations were still compliant with the BMM. ATAR had

originally planned to undertake assessments at eight locations, but the project canceled trips to Zaranj and Spin Boldak due to ongoing security issues.

Border Management Model Sites Reviewed in 2014



To ensure a standardized approach to gauging compliance, ATAR developed a template so that assessors identified all relevant aspects of the BMM. Working with ACD and ABP, ATAR traveled to each province and visited each BCP so they could visually inspect processes and speak with key staff such as regional directors, BCP managers, ABP commissars, and other officials.

All of the six locations inspected were found to be fully compliant with the provisions of the BMM. Furthermore, the principles of the BMM appeared to have been embraced by both ACD and ABP at all of the locations inspected. Both parties said the implementation of BMM standard operating procedures had resulted in a close working relationship.

Although there appeared to be no breaches of compliance with the BMM, ATAR, in conjunction with its partners from ACD and ABP, recommended that ACD introduce a formal monitoring program. This compliance assessment, which would ideally be undertaken on a quarterly basis, would form part of overall ACD management checks and would ensure any future non-compliance is identified and reported to the headquarters.

2.3 Strengthen the Customs Code and Customs Policies

ATAR worked with ACD's Legislation Department throughout 2014 to review a number of policies to ensure they were compliant with relevant laws and international best practices. Where possible, ATAR streamlined the processes contained within each policy to minimize barriers to legitimate trade.

These policies included: export procedures; customs exemption duty regulation; bulk customs duties exemption forms; customs advance ruling procedure (on-going); transit of goods that are exempted from customs duties; storage fee procedure (on-going); processing exemption forms; exemption check list; and temporary importation procedure.

2.4 Implement Risk Management Systems

Over the past decade, Afghanistan has seen a rise in imports and exports. In the past, ACD policy required that all imports and exports be subjected to a physical examination; this caused delays in clearing goods and was an inefficient use of staff resources.

In 2012, ACD developed and implemented a revised interdiction strategy based upon the principles of risk management. Risk management is an internationally accepted approach to using limited resources to identify and tackle consignments that have been assessed to pose a risk. Such risks include revenue loss through undervaluation, misclassification, or smuggling and interdiction of prohibited goods such as narcotics or pre-cursor chemicals. On the other hand, under risk management, traders and brokers with a documented history of compliance with ACD's laws and requirements face minimal to no intervention.

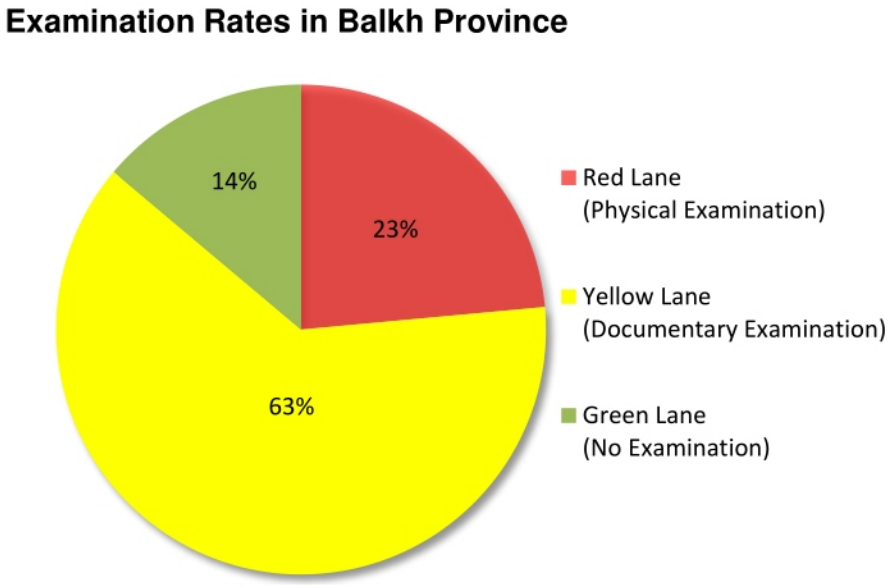
With donor support, ACD implemented risk management at most of the major Inland Clearance Depots (ICDs), including Kabul (including KIA freight terminal), Jalalabad, Mazar-e Sharif, Herat, Kandahar, and Kunduz. Under the approach, ASYCUDA channels potentially high-risk cargo to a red lane for a physical exam and moderate-risk cargo through a yellow lane for a documentary check. Remaining cargo is regarded as low risk and goes through the green lane for immediate release. The system also randomly selects cargo for a physical exam as an added measure to manage risk.

With the exception of Kandahar and Kunduz, ATAR monitored risk management throughout 2014. While many of the basic principles were being followed at a working level, this monitoring identified that the system requires further improvement – particularly with regard to the configuration and use of ASYCUDA. ATAR's discussions with ACD staff and visual inspections of the system identified a failure to use certain important modules, including the Inspection Act, which is used for recording results of examinations; Examiners Notes, used for advising an officer why a consignment was flagged for

inspection, and Random Selectivity, used for identifying and selecting a random percentage of consignments for inspection.

Due to issues in receiving relevant ASYCUDA data from the ACD, ATAR was not able to confirm exactly which areas of ASYCUDA required modification or revised use. During its assessments, ATAR further determined that ACD used tariff code-specific risk profiles. These profiles, which select consignments based purely upon the type of commodities, do not support trade facilitation. Though a useful and legitimate profiling technique, when used in isolation this "catch all" approach does not differentiate between compliant and non-compliant importers. ATAR worked with ACD's risk management unit to develop profiles that take into account infraction and historical data based on broker, importer, and origin.

In addition, the amount of consignments selected for examination in Afghanistan is considered high in relation to international best practice, as shown below in the chart on examination rates in Balkh. However, approximately 30% of those goods selected for examination were found to be non-compliant. This suggests a high level of non-compliance within the trading community, so it is difficult to justify reducing these high examination levels at this time.



2.5 Implement Electronic Payment of Customs Debt

Currently, ACD duties and taxes are paid in cash. These duties and taxes account for around $1 billion a year in revenue for GIROA. In practice, a trader or customs broker arranges for the cash to be paid into a branch of Da Afghanistan Bank (DAB), Afghanistan's central bank, at the location processing the declaration.

An interim process to enable traders to pay their duties electronically was devised and approved by both ACD and DAB in 2013, but implementation was stalled due to ACD's concerns over the potential for corruption by its staff. These concerns revolved mainly around who would take responsibility for acquitting the electronic funds payment within ASYCUDA.

In partnership with senior ACD and DAB officials, ATAR reviewed electronic payment, or E-Pay, to identify opportunities for improvement. As a result of the introduction of ASYCUDA World, a web-based version of the existing processing system, a revised fully automated payment procedure was developed. Although technically feasible and accepted by both parties in principle, implementation of this option was postponed due to existing configuration limitations, which prevented ACD and DAB systems from interacting electronically. Implementation of this option has been delayed while upgrades are made to the DAB processing system, part of which will allow interactivity between DAB and ACD and facilitate full automation of the procedure.

ATAR worked with the ACD and DAB to identify and agree upon an interim, partly automated solution that addressed ACD's concerns over potential corruption. This interim solution will function upon existing infrastructure and require no further software upgrades or configuration changes to DAB or ACD electronic processing systems.

In preparation for implementation of this revised solution, ACD delivered training for DAB staff to acquit ACD payments manually at DAB headquarters in November. Furthermore, in the latter half of 2014, DAB and ACD agreed that the DAB will continue to accept responsibility for acquitting ACD payments – but at the headquarters level as opposed to regionally. This revised procedure will facilitate traders being able to pay for clearance of their consignment anywhere in Afghanistan regardless of where the goods are processed. The estimated time from payment at commercial bank to acquittal within ASYCUDA World by DAB staff at headquarters will be 10 minutes.

E-Pay will only work at locations where there is already full, automated integration between DAB headquarters and DAB regional branches. Full automation is present in Herat, Kunduz, Kandahar, Mazar-e Sharif, Kabul, Gardez, and Jalalabad. These locations account for the vast majority of ACD payments.

All necessary internal procedures that support the manual acquittal of payments centrally by DAB staff within ASYCUDA World have been developed, including training to all commercial banks in how to handle ACD-related payments. ATAR also assisted the ACD and DAB in drafting outreach materials to publicize E-Pay to the trading community. Actual implementation of the interim E-Pay solution did not materialize because ACD will not provide DAB staff based at headquarters with the necessary access passwords for ASYCUDA World.

Meanwhile, as part of efforts to move towards a fully automated E-Pay solution, DAB selected a vendor to undertake changes to the DAB banking systems. This company has successfully undertaken similar integration projects in 32 other countries. DAB expects integration between DAB systems and the relevant ministries to be in place within 12 months. The role of the vendor is to configure the DAB systems with the necessary gateways for ministries to link their own systems.

2.6 Increase Gender Representation at ACD

Women comprise roughly 4% of ACD staff. ATAR began recruiting for an internship program in late 2014 to place young university graduates at ACD for six months to prepare them for a possible career at ACD or to give the foundation for a job in the trade sector. While ATAR focused on recruiting mainly females for the internship program, the vast majority of qualifying resumes were from males. The internship program will begin in December 2014.

In an effort to reduce the gender gap at ACD, ATAR worked with ACD to prepare training to increase understanding of gender equality. ATAR and ACD will deliver the training to ACD staff. Prior to gender awareness training, ATAR will meet with female employees of ACD to identify specific challenges they face.

2.7 Reduce Corruption at ACD

Corruption is pervasive at ACD. Although the trading community has a part to play, such corruption could not be successfully perpetrated without collusion (at some level) with ACD officials. In line with its 5 Year Strategic Plan, ACD is committed to tackling corruption at all management levels.

In 2014, ATAR worked with the ACD Director General to identify an appropriate strategy for tackling staff misconduct. This will include the development and implementation of two new functions: Internal Audit (IA) and Professional Standards Unit (PSU). Though based at headquarters, these units will have national remits and report directly to the Director General. These control mechanisms will strike a balance between strategies that encourage high levels of staff integrity, and activities designed to proactively identify and investigate misconduct, including corruption.

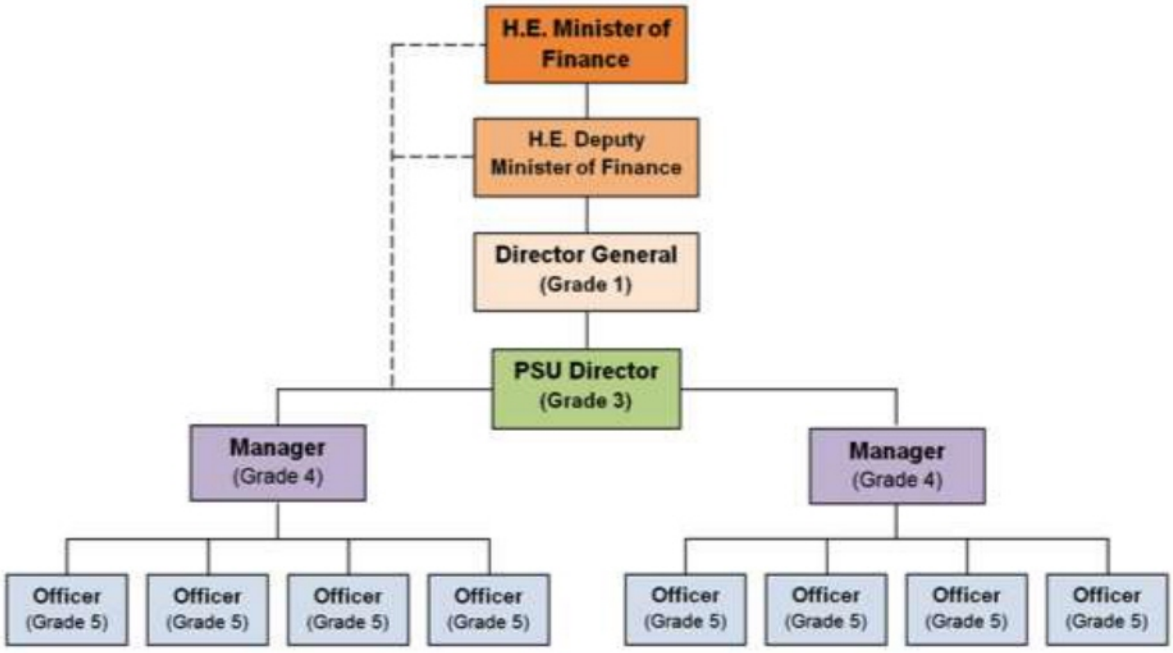
> "A key element of any effective integrity programme is the development, issue and acceptance of a comprehensive code of conduct which sets out in very practical and unambiguous terms the behaviour expected of all Customs personnel. Penalties for non-compliance should be articulated in the code, calibrated to correspond to the seriousness of the violation and supported by appropriate administrative and legislative provisions."
>
> - WCO Revised Arusha Declaration (2003) - Code of Conduct

The PSU will be primarily responsible for identifying and investigating alleged cases of unethical or illegal activities perpetrated, wholly or in part, by ACD staff. This will be achieved through the collection and analysis of information, including interviews with government officials or members of the public, in support of proving or disproving the involvement of a staff member. Furthermore, the PSU will develop, implement, and maintain written policies and procedures that support activities, including protecting the confidentiality and integrity of any information received from government or public sources.

In 2014, ATAR assisted ACD in drafting a comprehensive policy document that dealt with the creation and implementation of a PSU. This policy included a comprehensive code of conduct that sets out, in

practical terms, the behavior expected of all staff. The document includes all necessary processes, procedures, and reporting templates to allow the PSU to identify, investigate, and tackle misconduct and see any case through to conclusion, including misconduct proceedings, outcomes and the appeals process.

PROFESSIONAL STANDARDS UNIT STRUCTURE



ATAR also assisted ACD in preliminary work to identify the necessary processes and procedures for the implementation of an Internal Audit unit. This unit will be primarily responsible for assessing compliance with all existing strategic, operational, and tactical processes and procedures undertaken by the ACD at both headquarters and regional level.

As well as identifying unnecessary burdens to trade or procedural inefficiencies, the IA will be responsible for identifying any systematic abuse of existing systems in efforts by ACD staff and /or the trading community to circumvent appropriate controls. Where necessary, the IA will draft revised operating procedures to ensure opportunities for illicit activities are minimized. In the event that any illegal or unethical staff behavior is suspected, the IA will refer the case to the PSU in a timely, confidential, and professional manner. If any illegal activity is thought to have been perpetrated by the trading community or by customs brokers, the IA unit will refer to the case to the ACD Enforcement Department for further investigation.

2.8 Implement Taxpayer Outreach Programs

ATAR's taxpayer outreach activities were largely on hold pending direction from USAID on VAT activities. However, in support of the future implementation of E-Pay for customs duties, ATAR developed a poster to educate traders about the process of paying customs duties through commercial

banks. In addition, ATAR developed a radio advertisement intended to introduce the concept of e-pay to traders in Afghanistan. ATAR also supported ACD in the development of a video, which is pending ACD's final approval, outlining the process and benefits of the risk management process for upload to ACD's website and possible airing on government-sponsored television channels.

E-PAY POSTER



2.9 Support Streamlined Customs Procedures

ACD drafted and implemented a blueprint on import clearance in 2011 to reduce the number of importation steps to 13, thereby implementing unified procedures at all ICDs. During the gap between TAFA and ATAR, some regions introduced redundant steps that deviated from the blueprint, increasing costs, delaying clearance, and increasing opportunities for corruption.

Throughout 2014, ATAR staff in Kabul, Mazar-e Sharif, Herat, and Jalalabad worked with regional ACD staff to identify and record compliance with the blueprint. While ATAR had some success is helping to remove a number of redundant or additional steps at Mazar-e Sharif and Jalalabad, progress was slow due to a lack of traction with regional directors. In August 2014, ATAR drafted a report that outlined the performance of each ICD against the blueprint. This report, which included recommendations for change

was well received by the ACD Director General who advised he would take the matter forward with the regional directors.

2.10 Support the Afghan National Customs Academy

ANCA comprises classrooms, computer labs, an auditorium and a space for practical trainings, such as vehicle examinations. If fully occupied, these spaces will allow ANCA to train more than 400 students per day. ANCA has four student dormitories, including one female dormitory, that can house up to 112 students. Up until Sept. 15, 2014, the Border Management Task Force (BMTF) provided financial support for the operation and maintenance of ANCA.



Almost 60 customs officers graduated from ANCA in August. Dr. Ken Yamashita, Director of Program Coordination of the U.S. Embassy, helped distribute certificates to ANCA's 20th graduating class.

In the months leading up to the drawdown of this funding, ATAR supported the facility in preparing a financial sustainability plan to facilitate ANCA in its transition from a donor-led facility to an Afghan-led training facility by 2016. ACD used the content of this plan to reach out to individual donors requesting short-term financial assistance.

ATAR also deployed a national training development specialist to ANCA to provide technical support on the development of training curriculum. ANCA provided an office for the ATAR specialist, who coordinated with ACD to collect information on ANCA trainings and develop a training need assessment.

The assessment covered most of the customs officials in Kabul, Mazar-e Sharif, Herat, and Jalalabad, and the information was compiled in a database for the review of ANCA management.

Taking the results of the training needs assessment into consideration, ANCA management started working to develop an "Advanced Customs Training" package that will cover a number of the customs-related topics or subjects requested in the assessment by the participants. ANCA will also work to develop some customized training packages that will target specific customs staff.

ATAR completed a review of basic training materials for customs officers and assisted ANCA in preparing new, improved training materials. This included the development of five enforcement-related training modules in a variety of areas, including risk management, automated targeting, risk profiling, intelligence and the use of pocket notebooks.

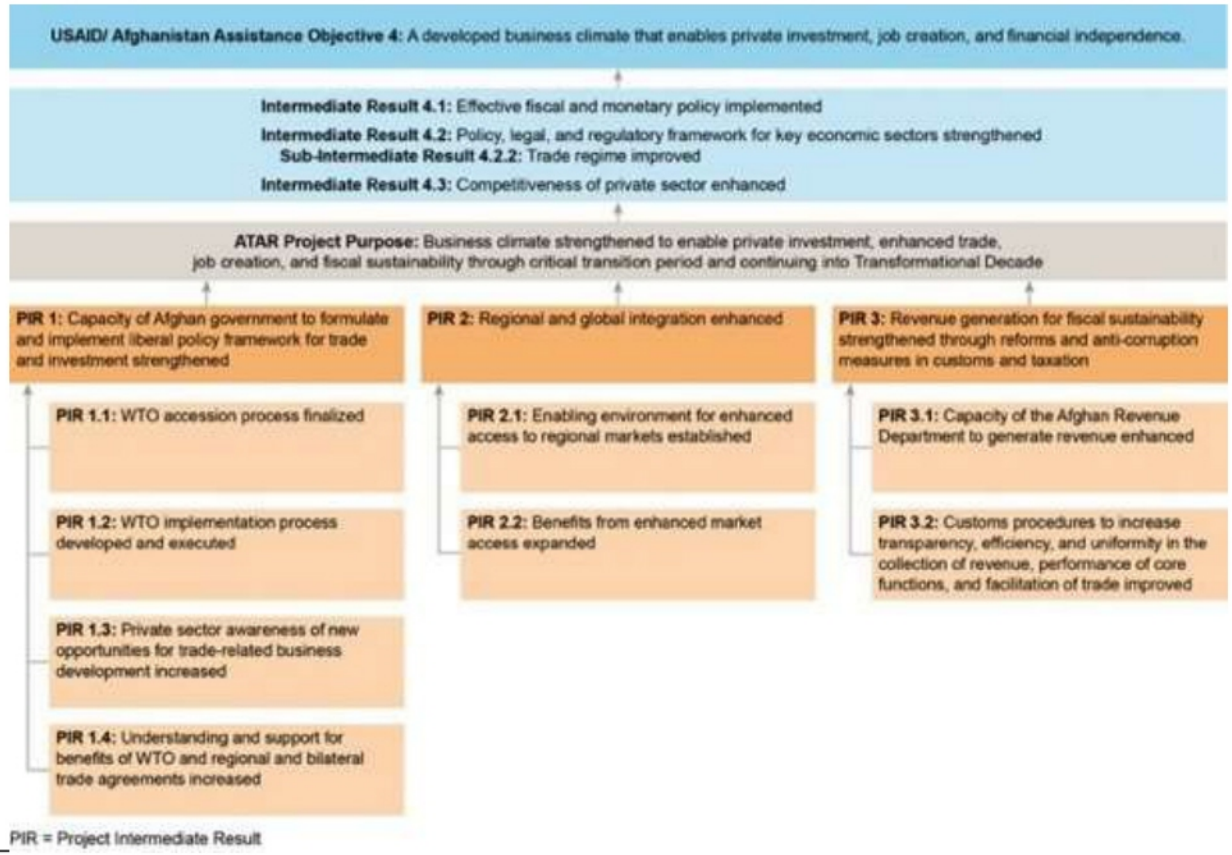
ATAR reviewed the complete package of the basic training course that was developed by BMTF. ATAR reviewed all 31 chapters of the training and brought necessary updates into most of the English presentations to correspond with the Dari presentations.

In addition, ATAR developed a database to house information on all of ACD's training and capacity building efforts. ATAR deliver training and handed over the database to ANCA management in June.

F. INDICATOR PERFORMANCE

ATAR supported USAID's Mission Assistance Objective 4, "A developed business climate that enables private investment, job creation, and financial independence." At the lowest level of USAID reporting, ATAR activities and results supported intermediate result 4.1, "Effective fiscal and monetary policy implemented," intermediate result 4.2, "Policy, legal, and regulatory framework for key economic sectors strengthened," specifically, sub-intermediate result 4.2.2, "Trade regime improved," and intermediate result 4.3, "Competitiveness of private sector enhanced.[12]

ATAR RESULTS FRAMEWORK



PIR = Project Intermediate Result

[12] ATAR began aligning its results framework with USAID's new Mission Result Framework in November 2014. ATAR's new results framework will be in place for 2015.

ATAR monitored progress based on project indicators applicable to each component as well as cross-cutting issues. The project had 36 indicators in place in its first year, 15 were "tracking only"[13] while the project was responsible for the remaining 21. By the end of the first contract year, ATAR surpassed the annual targets of 13 of its project indicators, fell short of six, matched one, and scheduled activities for one of the 21 project indicators at a later date.

The results against the indicators are detailed in the following table. Details on the results and the project's performance are offered in the notes column. Indicators that were surpassed are highlighted in green, those that were missed are highlighted in orange, and those matched or scheduled for a later date in yellow, while "tracking only" indicators are not highlighted:

- Project indicator targets surpassed
- Project indicator targets missed
- Project indicator targets matched or activities planned for later date
- Tracking only indicators (not highlighted)

[13] Indicators used for tracking purposes only show at a higher level whether efforts in the sector by many contributors are producing results. Changes in these indicators cannot be attributed to the efforts of one donor only and can be caused by factors outside the control of any one donor.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO report)	$3.2 billion in first six months of 1393 (ACD)	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). Total volume of trade in six months of 1393 was $3.2 billion based on ACD data, including imports ($3 billion) and exports ($276 million).
2	Value of gross domestic product (GDP)	Outcome/ Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$21 billion in 1391 (CSO)	$21.2 billion in 1392 (CSO)	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year.
3	Ratio of foreign trade in GDP	Outcome/ Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% 2012 (World Bank)	Import 47%, Export 6% 2013 (World Bank)	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD, CSO	Annual	$582,123 in 2013 (EPAA, ACD)	$609,150 in 2014 (EPAA, ACD)	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	$307 million in 1391 (ACD) $414.5 million in 1391 (CSO)	$276 million in first six month of 1393 (ACD)	Tracking only	Tracking only	Value of exports here refers to the total value of Afghan licit goods and services sold in a foreign country or countries. **Note:** Based on ACD's data for six months in 1393, the total value of exports is $276 million. **Disaggregation by Country:** Pakistan = $80 million India = $51 million Turkey = $19 million UAE = $11 million Iran = $6 million China= $5.9 million Iraq = $2.8 million Turkmenistan = $1.8 million Others = $98.5 million
6	Value of imports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	$7.464 billion in 1391 (ACD) $8.9 billion in 1391 (CSO)	$3 billion in six months of 1393 (ACD)	Tracking only	Tracking only	Value of imports refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable imports only. **Note:** Based on ACD's data for six months in 1393, total value of Afghanistan imports was $3 billion. **Disaggregation by Country:** Pakistan = $517 million China = $517 million Iran = $448 million Turkmenistan = $215 million Japan = $168 million Uzbekistan = $163 million Kazakhstan = $151 million Malaysia = $136 million United Arab Emirates = $87 million Russia = $84 million India = $75 million Others = $443 million
7	Change in World Bank's Doing Business ranking,	Outcome/ Impact	None	World Bank Doing	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2015)	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators compared across 189 economies over time. Afghanistan was ranked 179

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
	trading across borders indicator	Required by Prime Contract		Business Annual Report						out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2015 report, Afghanistan is ranked 184 out of 189 countries.
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/ Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	183 (Doing Business Annual Report 2015)	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small- to medium-sized business when complying with relevant regulations. Based on the 2015 report, Afghanistan is ranked 183 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
9	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/ Impact USAID requested indicator	None	GIROA	Annual	27%	15%	20%	10%	It is crucial to have reliable trade data for policy and planning. ATAR is supporting ACD and CSO to harmonize their trade data. Based on trade statistics data from ACD and CSO for 1393, the overall discrepancy was 15%, which is better than the target of 20% for the year.
PIR1.1: WTO accession process finalized										
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quart-erly	0	12	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator captures progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) Presidential endorsement. The twelve legal acts in the results are: 1. Law on plant protection and plant quarantine submitted to the Council of Ministers by MOJ 2. Law on animal health and veterinary public health submitted to MOJ by MAIL 3. Law on indication of production place submitted to Council of Ministers by MOJ

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										4. Law on trademarks approved by Council of Ministers and submitted to Parliament 5. Amendments to the 2005 customs law submitted to Council of Ministers by MOJ 6. Amendments to the patents law submitted to Councils of Minister by MOJ 7. Procedure on intellectual property border enforcement submitted to the Minister of Finance for signature 8. Procedure on intellectual property border enforcement adopted and came into force on April 12, 2014 9. Draft copyright law submitted on July 27, 2014, by MOJ to the Council of Ministers. 10. Draft law on animal health and veterinary public health submitted by MAIL to MOJ 11. Draft law on indication of production place submitted to the Parliament in Oct. 11, 2014 12. Draft law on trademarks approved by Lower House and submitted to Upper House of Parliament in Oct. 29, 2014
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quart-erly	0	7	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR. ATAR surpassed its target of four. The reforms in the project's results are: 1. Institutional proposal accepted by MOCI for establishing a safeguard unit 3. Five ISO mirror committees established: petroleum products and lubricants; food products;

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										textiles; gas cylinders; concrete, reinforced concrete and pre-stressed concrete 3. Mechanism for coordination and cooperation between ANSA and other government entities on enquiry/notification
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quart-erly	0	21	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level with ATAR support. This mainly refers to the first draft finalized at the Ministerial level. ATAR beat its target of four. The project's results include: 1. Twelve procedures related to food safety drafted and agreed by working group at MOPH 2. Draft regulations for implementing law on animal health finalized 3. Seven procedures for implementing the law on animal health prepared by the working group at MAIL 4. Draft regulations to implement law on plant protection and quarantine prepared by working group at MAIL
PIR 1.2: WTO implementation process developed and executed										
13	Number of public events held to discuss trade and business policy matters with stake-holders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Month-ly	0	81 events (participants include 697 males, 153 females)	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, roundtable discussions, and other trade gathering. ATAR held 81 such events, surpassing its target of 12.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quart-erly	0	7	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector are captured under this indicator. ATAR beat its targets, with results to date including: 1. Consultative meeting on Feb. 22 with fruit and vegetable businesses 2. Consultative meeting on March 3 with handicraft, carpet, gemstones, and marble businesses 3. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 4. Consultative meeting with KCCI regarding customs valuation practices 5. Working group for development of implementing regulations for food safety law 6. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment 7. Working group on developing implementing legislation for the law on animal health

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Month-ly	0	20	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses. ATAR exceeded its annual target of eight. The project's awareness seminars to date include: 1. WTO awareness seminar for MOJ in February 2014 2. Awareness about regional opportunities (Dushanbe business-to-business event) June 2014 3. Fourteen awareness events about food control authority and the legal authority contained in the draft food law and its supporting regulations 4. Three events in October 2014 on building awareness of trade opportunities under CATF and World Food/Almaty 5. SPS awareness seminar at MAIL in (February 2014)
16	Number of awareness documents prepared to educate about	Operational Indicator Output USAID	Province	Project records	Quart-erly	0	13	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and trade opportunities.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
	WTO and regional integration	requested indicator								ATAR exceeded its target of four. Project results included: 1. Document for President Karzai office on WTO 2. Presentation developed for WTO awareness seminar for MOJ 3. Awareness materials on TIR 4. Copyrights general pamphlet 5. Copyrights music pamphlet 6. Copyrights publishers pamphlet 7. Copyrights awareness article 8. Educational materials on indication of production of place 9. Presentation to educate Tajik public and private sector about APTTA 10. Note to President Ghani on Afghanistan's WTO Accession 11. Strengthening food safety in Afghanistan 12. Good hygiene practices for businesses 13. SPS agreement awareness power point
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/ Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. Certification was not scheduled for the first project year. During the first three years of the project, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
18	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Percep-tion survey	Annual	To be determined (TBD) from perception survey	TBD from perception survey	10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will work with MOCI to conduct a survey to determine knowledge and perceptions among the general population and stakeholders.
PIR 2: Regional and global integration enhanced										
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records, MOCI	Quart-erly	0	4	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support. ATAR surpassed its target. The results include: 1. Transit and Transport Agreement with Azerbaijan launched 2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers of Afghanistan 4. Trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan launched
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/ gender	Project records, EPPA	Month-ly	0	315 firms	80 firms	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										Exceeding its targets, ATAR helped build the capacity of 315 firms, as detailed below: • June 2014 Dushanbe business-to-business event: 45 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, • 107 businesses from Dushanbe business-to-business event • July 2014 EPAA seminar series on market research and international markets: 10 • July 2014 seminar series on global logistics: 8 • October 2014 training and roundtables to prepare for participation in CATF/World Food: 13 • February/March 2014 preparatory meetings for CABOC in Afghanistan: 40
21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/ Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770	Will be reported next quarter	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
						Exports: 32,451 Weish: Imports 35,166 Exports 2,167				
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	7	6	24	This indicator will capture the number of interactions and dialogues between businesses and government organizations in the region on policy reform issues. ATAR surpassed its targets. Results for its first year include: 1. Two trade facilitation workshops in the Kyrgyz Republic in April and June 2014 2. A session during the Dushanbe business-to-business event related to policy reform involving businesses and government representatives 3. A session led by MOCI/EPPA on March 19, 2014, with women businesses 4. A session at MOCI on July 16, 2014, regarding para-tariffs under SAFTA 5. A session at MOCI on July 17, 14, regarding issues related to rules of origin 6. Session on regional trade challenges and practices under an export development course in the Kyrgyz Republic in May 2014
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays. ATAR launched a number of customs harmonization initiatives, including risk

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										management and post clearance audit, that are ongoing.
24	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6 (2012)	$2,393 Corridor 5 (2013)	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included.
25	Percentage share of trade with regional partners	Outcome/ Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator will capture the share of Afghanistan's trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan, and Kazakhstan.
26	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$157 (2012)	$235 (2013)	Tracking only	Tracking only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
27	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million in 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses.
28	Number of	Outcome/	Gender, age,	ACD	Quart-	77	1 (59 ACD)	100	175	In line with the Tokyo Mutual Accountability

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
	permanent professional positions allocated for women within ACD	Impact USAID requested indicator	education level		erly					Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020. ATAR began its internship program in December 2014 and will continue the internship program, focusing on females, throughout the remainder of the project. ATAR will work with ACD on transitioning the females to permanent positions.
29	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quart-erly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue , performance of core functions, and facilitation of trade improved										
30	Average customs processing time (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Herat: 3 hours and 30 minutes Hairatan: 2 hours 40 minutes Jalalabad 3 hours 30 minutes Shir Khan Bandar: 2 hours 30 minutes Aquina: 2	20 minutes reduction each year	2 hours	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
31	Number of documents/procedures required to import and export	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10 Import/ 10 Export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2015)	Tracking only	Tracking only	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2015 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
32	Time to export and import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	Tracking only	Tracking only	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2015 report, Afghanistan requires 91 days for import and 86 days for export while the
33	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline. ATAR did not achieve this target for a number of reasons: external delays in full implementation of E-Pay, valuation is awaiting WTO accession, risk management systems have not been fully utilized, and transit/TIR activities have begun but are yet to be fully adopted by ACD. ATAR will continue working on these activities. In

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										addition, project activities to establish the professional standards unit and internal audit unit, restart the national anti-smuggling hotline, and begin customs warehousing will start in 2015.
34	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management. While ATAR did not achieve its target in the first year, the project has started activities such as establishment of a professional standards unit and internal audit unit and will perform activities in support of post clearance audit in 2015.
Cross – Component Indicators										
35	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Month-ly	0	66 trainings 1,215 participants including 1,008 male and 207 female 1,237 person days of training	30 trainings/ 300 participants	120 trainings/ 1,200 participants	Training is defined as an ATAR-led activity related to improving the trade environment. “Training” refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training. ATAR surpassed its target of 30 training by holding 66 training during the first project year.
36	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Month-ly	0	8,661 (Male 6,893, female 1,768)	1,500	6,000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40. ATAR supported 8,661 person hours of training, beating its target of 1,500.

G. LESSONS LEARNED

1. Challenges

While significant security restrictions and the protracted presidential elections impeded ATAR's work at government entities, each project component faced unique obstacles as well.

Component 1: Support Trade Policy Liberalization

During the second quarter of 2014, ATAR's relationship with MOCI became strained; project activities were halted at the ministry and in support of the ministry, and ATAR faced difficulties in working with other ministries on WTO-related activities. MOCI and ATAR reached an agreement on issues in the third quarter of 2014, including improved communication for better coordination and responsiveness as well as a new procedure that involved MOCI in the hiring of technical advisors.

Afghanistan's uncertain political situation proved another obstacle to progress in the area of WTO. The Afghan government completed preparations for holding its fifth Working Party meeting in October 2013 and further augmented materials in February 2014 with ATAR support. The fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of all WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation in light of the presidential election and subsequent audit process. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government.

Component 2: Facilitate Enhanced Access to Regional Markets

During Year 1, ATAR was not officially launched in Turkmenistan and Uzbekistan given delays in government procedures in accepting ATAR assistance. The Turkmen and Uzbek governments have not yet totally cleared ATAR to proceed with operations in those countries.

The conflict between the Kyrgyz Republic and Tajikistan regarding the Karamyk border crossing point also impeded ATAR's work on customs cooperation. Due to the tense border situation at border between Kyrgyzstan and Tajikistan, advancing any effort related to joint border cooperation or framework for customs cooperation was futile.

Component 3: Improved Customs Administration

ATAR's Year 1 work plan for Component 3 was overly ambitious, especially in the light of the departure of the customs reform manager in April. His departure left a technical and management gap on the component; the gap was temporarily filled by the national deputy team leader and one expatriate short-term advisor until the arrival of the new manager in July. Some of the first-year work plan will be carried over into the second-year work plan, which will have a more targeted focus.

Upon the arrival of the new team leader, ACD buy-in into the first-year work plan required an additional concerted effort on the part of ATAR. ATAR and ACD held joint sessions to review, re-assess, and re-prioritize work plan activities, finally confirming the way forward with minimal adjustments.

Despite repeated requests to ACD through the year, ATAR did not receive all of the ASYCUDA data necessary to complete the review on risk management policy, procedures and result monitoring. In addition, ACD's reluctance to provide DAB with access to ASYCUDA delayed the implementation of E-Pay in 2014.

ATAR revised its work plan early in the year to refocus resources to directly support VAT implementation at ACD rather than ARD, but the activity was on hold throughout much of the year at USAID's direction. ATAR temporarily removed VAT from its year-one work plan, and then removed the activity permanently at the end of the year at USAID's request.

2. Lessons Learned

ATAR worked with USAID to develop a "lessons learned" list in October 2014 that will help to inform the project's second year.

The following is an abbreviated version of the list:

- To be effective, the work ATAR does must have complete buy-in from GIROA authorities and subordinates charged with implementation.
- Partners will not read long documents in technologically sophisticated language. ATAR should deliver one-page forward looking documents that reflect the priorities and buy-in of Afghan partners and define the work to be conducted and committed to by them.
- Conflict breeds silence and distrust. Communicate with host partners continuously, through business meetings, updates and requests for feedback, to provide as many opportunities as possible to build effective relationships.
- Trusted mediators can change communication dynamics by helping clarify issues, reframing problems and possibly offering resources or solutions from third parties.
- Having explicit expectations about alternative activities based on contingent circumstances out of the project's control will help allocate resources more effectively.
- ATAR might find incentive and capacity in the private sector in areas where the project's public partners might be lacking.
- It takes a great deal of effort, time, resources, and the cultivation of effective relationships to move nations, donors, ministries, and business counterparts to overcome inertia. ATAR should find champions wherever possible.
- Long-term efforts require continuity and the commitment of individuals who will participate for extended periods of time.
- Decisions on security and reporting of those decisions should be aligned. There should be tighter correspondence between budgets and communication by decision makers.

3. Assessments

Hiring assessment

At the request of USAID, Checchi International conducted an assessment during the second quarter on the project's "Hiring Manual and Procedures." The assessment team examined the hiring processes of a total of 22 ATAR staff, 19 technical staff who work closely with GIROA counterparts, and three ATAR operations staff. In addition to closely reviewing the recruitment files for the mentioned positions, the assessment team looked at Chemonics and ATAR policy manuals and held interviews with current and former staff to determine whether or not the project had followed its internal policies and best practices.

The assessment's findings resulted in ATAR revising existing policies to better institutionalize best practices in recruitment and to better document the recruitment process. In addition, the assessment led to ATAR's adoption of new practices to improve communications and coordination with key counterparts, and to more actively include them in the assessment of staffing needs and the formulation of position terms of reference.

Multi-tiered monitoring

USAID intensified its monitoring and verification efforts in the latter half of 2014, requiring more advanced notice of ATAR events and a more comprehensive overview of the events upon completion. ATAR assessed its procedures in place and implemented an online calendar that allowed staff in Afghanistan and Central Asia to keep USAID abreast of upcoming workshops, working groups, roundtables, and exhibitions. In addition, following an event, ATAR staff provided a participant list, agenda, presentations, photos, and other relevant information for filing and submission to USAID.

H. GIROA AND DONOR COLLABORATION

1. Links with GIROA

ATAR's success is dependent on its close relationship with GIROA. ATAR had staff embedded at ACD, MOCI, MOJ, and EPAA to work with staff on an almost continuous basis. In addition, ATAR worked closely with relevant ministries – such as MAIL, MOPH, and MOIC – conducting meetings, trainings, and working groups, to ensure that government officials were part of the decision-making process and had a thorough understanding of WTO activities such as draft laws, regulations, and procedures.

In addition, Afghan embassies and commercial officers were also actively involved in ATAR's Central Asian events, such as the Modern Transport and Logistics Workshop in Bishkek.

2. Links with Donor Agencies

In support of the project's activities in Central Asia, ATAR worked in close coordination with donor agencies including the Asian Development Bank (ADB), United Nations Development Programme (UNDP), the European Union, GIZ, and OSCE.

ATAR also liaised with the Tajikistan Chamber of Commerce and Industries, the Kabul Chamber of Commerce and Industries, the Kyrgyzstan Chamber of Commerce and Industry, and the Pakistan Afghanistan Joint Chamber of Commerce and Industries. ATAR worked with the regional country chambers to gain their approval of a draft MOU the project prepared to strengthen cooperation.

ATAR Partners

- Adam Smith International (ASI)
- Afghan Carpet Producer and Exporter Guild (ACEG)
- Afghanistan Chamber of Commerce and Industries (ACCI)
- Afghanistan Dried Fruits and Nuts Association (ADFNA)
- Afghanistan Fresh Fruits and Vegetables Association (AFFVA)
- Afghanistan Marble and Granite Processing Association (AMGPA)
- Afghan Women's Business Federation (AWBF)
- American Chamber of Commerce and Industry (AmCham)
- Asian Development Bank (ADB)
- Association of Afghan Freight Forwarding Companies (AAFCO)
- Association of International Automobile Transport of Tajikistan (AIATT)
- Association of International Road Carriers of the Republic of Tajikistan (ABBAT)
- Association of the International Road Transport Operators of the Kyrgyz Republic (AIRTO-KR)
- Balkh Chamber of Commerce and Industries (BCCI)
- CAREC Federation of Carrier and Forwarder Associations (CFCFA)
- European Union (EU)
- European Union's Border Management Northern Afghanistan (EU-BOMNAF)
- Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Global Alliance for Improved Nutrition (GAIN)
- International Road Transport Union (IRU)
- Kabul Chamber of Commerce and Industries (KCCI)
- Kyrgyzstan Chamber of Commerce and Industry
- Nangarhar Chamber of Commerce and Industries (NCCI)
- Organization for Security and Cooperation in Europe (OSCE)
- Pakistan Afghanistan Joint Chamber of Commerce and Industries (PAJCCI)
- Pakistan National Committee of International Chamber of Commerce (PNC-ICC)
- Tajikistan Chamber of Commerce and Industry (TCCI)
- United Nations Conference on Trade and Development (UNCTAD)
- United Nations Development Programme (UNDP)
- United Nations Office for Project Services (UNOPS)
- USAID's Commercial Horticulture and Agriculture Marketing Project (CHAMP)
- USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA)
- USAID's Macroeconomic Project (MEP)
- USAID's Regional Economic Cooperation (REC) project
- U.S. Department of Commerce's Commercial Law Development Program (CLDP)
- World Bank

In a prime example of partnership and collaboration during the year, ATAR organized a business-to-business event in Dushanbe, Tajikistan, in June 2014 in coordination with donors, regional chambers, and public and private representatives.

With regard to customs, ATAR coordinated where possible with implementing partners at ACD, including Adam Smith International (ASI), the World Bank, and the Border Management Task Force (BMTF), which departed in September 2014. ATAR also met with the European Union's Border Management Northern Afghanistan (EU-BOMNAF) project to partner on customs activities in support of ACD.

ATAR continues to coordinate with other implementing partners at ACD, including UNOPS, UNCTAD and the World Bank. However, these partner agencies often did not respond to ATAR's requests for information sharing.

3. Links with USAID Projects

ATAR partnered with USAID projects in Afghanistan and in the region wherever possible. The following are just a few examples of coordination during the year:

- In Central Asia, ATAR co-located with USAID's REC project at the Chemonics' office in Tashkent, Uzbekistan, and worked with REC on regional trade activities.
- ATAR participated in the TIFA Customs Working Group meeting organized by the Commercial Law Development Program (CLDP) in Bishkek and gave a short presentation regarding its regional work.
- ATAR worked with USAID's CHAMP and FAIDA to facilitate the participation of Afghanistan in the Gulfood Exhibition in Dubai.
- ATAR supported Afghanistan's participation in CABOC, which was organized by USAID's PTP, to enable Central and South Asian businesses to exchange information, establish relationships, and meet government officials.
- ATAR provided support to USAID's Macro Economic Project (MEP) in organizing the Astana Trade Policy Conference: Expanding Central and South Asia's Regional Trade on July 1-2.
- ATAR coordinated activities with USAID's REFORMA project in Kyrgyzstan.

ANNEX A: WTO LEGISLATIVE ACTION CHART

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION AS OF NOVEMBER 2014					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[14] 2. Ministry of Justice 3. Council of Ministers[15] 4. Parliament 5. President 6. Entry into Force	Laws and Regulations Included in MOJ 1393[16] Agenda[17]
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Council of Ministers in March 2014. The draft is under review, and it is expected the review will accelerate after the formation of a new government.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	In the second half of 2014, ATAR worked with ACD to finalize the draft; the draft has been submitted to the Director General for approval. ATAR is regularly following up with the Director General. The Minister of Finance will adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	ANSA completed its review and shared a Dari version of the law with track changes with ATAR. ATAR is reviewing the revised draft for WTO conformity.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	The Council of Ministers approved the draft in September 2014. In the reporting period, the Council of Ministers submitted the draft to MOJ for Pashto translation	Ministry of Justice	Yes

[14] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[15] Regulations go to the Council of Ministers and do not proceed further.
[16] The solar year 1393 covers the Gregorian year March 21, 2014, through March 20, 2015.
[17] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	ATAR assisted MAIL in finalizing the draft. MAIL submitted the draft to MOJ on Sept. 30. MOJ established a working group to review the draft; ATAR participated in four working group meetings; the last was held on Nov. 8, 2014.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	MOPH submitted the draft law to MOJ on Oct. 29. On Nov. 8, ATAR conducted a seminar on food safety issues to educate MOJ and MOPH staff on the law. MOJ included the law on its agenda, and ATAR will assist MOJ in its review.	Ministry of Justice	Yes
8	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	On Nov. 9, the Legislative Committee of the Council of Ministers examined the draft and proposed a patent board. On Nov. 22, the MOJ Acting Minister presided over a roundtable that focused on the proposal of the establishment of a patent board. On Nov. 30, Second Vice President Sarwar Danish held a session in the Legislative Committee of the Council of Ministers with acting ministers and deputy ministers. The event dealt with remaining issues on the establishment of a board.	Council of Ministers	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In a series of developments, on Dec. 1, a working group was held in the Parliament´s Upper House to review the trademark law. MOJ's Director of the Legislative Board and MOCI´s Acting Minister attended the session. Thereafter, the draft was approved in a General Session by the National Economic Commission (and other relevant Commissions).	Parliament	Yes

11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Council of Ministers sent the draft to MOJ with minor changes. ATAR is ensuring the changes do not violate WTO requirements. On Nov. 30, ATAR was invited to the Legislative Committee of the Council of Ministers. This was chaired by Second Vice President Sarwar Danish, ministry officials, and President Ghani's legal advisor. ATAR assisted in replying to questions of the committee. The Legislative Committee approved the draft, instructing MOJ to check certain terms.	Council of Ministers	Yes
12	Law on Indication of Production Place	MOCI Wali Faqirzaad Polly Maier	In an important development, the law was submitted by the Acting Minister of Justice to Parliament on Oct. 8. On Oct. 18, the Acting Minister of Justice presented the law to the Lower House. On Oct. 28, the National Economic Commission of the Parliament (Lower House) conducted a roundtable on the law. On Nov. 3, the commission conducted two working group meetings on the draft. On Nov. 18, the draft was circulated and shared with all other 18 commissions. The Commission on Privilege and Immunity approved the draft (with minor amendments), and the draft remains under review by other commissions.	Parliament	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	ATAR assisted MOJ in conducting a working group meeting to review the law in October. ATAR started to review MOJ suggestions to ensure WTO conformity.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI Wali Faqirzaad Polly Maier	MOCI based on request of the MOJ resubmitted the proposed amendments along with an official letter in the reporting period.	Sponsoring Ministry	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	During the reporting period, ATAR assisted MOJ in finalizing the first review of the draft at MOJ's Commercial and Private Sector Department.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad	The draft is at MOCI and will be sent to the MOJ as soon as the official letter is signed.	Sponsoring Ministry	No

		Polly Maier			
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi Polly Maier	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments (unrelated to WTO). MOJ is working on the revised draft.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR worked with MOCI to encourage MOJ to include the draft on this year's agenda. ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. On Nov. 2, ATAR conducted a plant variety protection workshop at MAIL to improve understanding of the law and discuss the impact assessment.	Sponsoring Ministry	No
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad Drew Sundberg	ATAR assisted MOJ in conducting two working group meetings in October. Fifteen articles were reviewed. MOJ's Publication Department proposed the addition of six new articles. ATAR will review the proposed additions.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar Drew Sundberg	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi Drew Sundberg	During the period, ATAR assisted MOJ in working group meetings to review the draft. In a major development, the MOJ Legislative Department completed its review of the draft. The draft will be submitted to the MOJ Executive Board.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi Drew Sundberg	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad FarhatFarhat	The draft is at ACD for final review. ATAR assisted ACD in conducting a working group meeting on Aug. 6 to review the procedure. This is awaiting signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF)	The Afghanistan Revenue Department (ARD) said the draft was finalized and submitted to MOJ. MOJ	Sponsoring Ministry	N/A

		Wali Faqirzad Farhat Farhat	confirmed, however, that it did not receive the draft.		
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi Drew Sundberg	The draft is awaiting review by the relevant MOJ legislative department. MOCI and ATAR are encouraging MOJ to include the law on this year's agenda.	Ministry of Justice	No
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Parliament Upper House and signed by the President. It is awaiting publication in the official journal.	President	Yes
28	Law on Minerals	Ministry of Mines	The President signed the law on August 11. It was published in the official gazette.	Entry into Force	Yes

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Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

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ACRONYMS

AAFFCO	Association of Afghan Freight Forwarding Companies
ABADE	Assistance in Building Afghanistan by Developing Enterprises
ABBAT	Association of International Transport Operators of Tajikistan
ACBR-IP	Afghanistan Central Business Registry-Intellectual Property
ACCI	Afghanistan Chamber of Commerce and Industries
ACD	Afghanistan Customs Department
AEO	Authorized Economic Operator
AIB	Afghanistan International Bank
AIRTO	Association of the International Road Transport Operators
ANCA	Afghanistan National Customs Academy
ANSA	Afghanistan National Standards Authority
APTTA	Afghanistan-Pakistan Transit Trade Agreement
ASYCUDA	Automated System for Customs Data
ARFC	Afghanistan Rural Finance Co.
ATAR	Afghanistan Trade and Revenue Project
BCP	Border Crossing Point
BMM	Border Management Model
CAREC	Central Asia Regional Economic Cooperation
CBTA	Cross-Border Transport of Persons, Vehicles, and Goods
CHAMP	Commercial Horticulture and Agriculture Program
CLDP	Commercial Law Development Program
CSO	Central Statistics Organization
DAB	Da Afghanistan Bank
EGAT	Economic Growth and Trade
EIF	Economic Integration Forum
EPAA	Export Promotion Agency of Afghanistan
FAIDA	Financial Access for Investing in the Development of Afghanistan
FICCI	Federation of Indian Chambers of Commerce and Industries
GAIN	Global Alliance for Improved Nutrition
GDP	Gross Domestic Product
GIROA	Government of the Islamic Republic of Afghanistan
GIZ	Gesellschaft für Internationale Zusammenarbeit
GSP	Generalized System of Preferences
HKIA	Hamid Karzai International Airport
ICD	Inland Clearance Depot
IRU	International Road Transport Union
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MOCI	Ministry of Commerce and Industries
MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOTCA	Ministry of Transportation and Civil Aviation
MOPH	Ministry of Public Health
MOU	Memorandum of Understanding

MVT	Mobile Verification Team
NEPA	National Environmental Protection Agency
PATTTA	Pakistan Afghanistan Tajikistan Transit and Trade Agreement
PCA	Post Clearance Audit
PPQD	Plant Protection and Quarantine Department
PRA	Pest Risk Assessment
REC	Regional Economic Cooperation project
RKC	Revised Kyoto Convention
SAARC	South Asia Association for Regional Cooperation
SAFE	Framework of Standards to Secure and Facilitate Trade
SAFTA	South Asian Free Trade Area Agreement
SATIS	SAARC Agreement on Trade in Services
SPS	Sanitary and Phytosanitary
TBT	Technical Barriers to Trade
TCCI	Tajikistan Chamber of Commerce and Industry
TFA	Trade Facilitation Agreement
TIFA	Trade and Investment Framework Agreement
TIR	Transports Internationaux Routiers
TPAU	Trade Policy Analysis Unit
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
VAT	Value Added Tax
WCO	World Customs Organization
WTO	World Trade Organization

A. PROJECT OVERVIEW

Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global trading market.

ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is based in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support regional customs activities and works in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan to strengthen Afghanistan's trade ties in Central Asia. ATAR provides assistance to improve the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through the country's critical transition period.

Specifically, ATAR is tasked with:

1. Improving the capacity of the Government of Afghanistan to create and implement a liberal policy framework for trade and investment in accordance with international standards;
2. Enhancing integration in the regional and world economy through the promotion of trade and agreements, enhanced governance of corridors, and private-sector linkages throughout South and Central Asia;
3. Strengthening revenue generation for fiscal sustainability and trade facilitation through reforms and anti-corruption measures in customs.

These objectives are achieved through three ATAR components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to the World Trade Organization (WTO). This support is accomplished by building the necessary technical capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime within the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with countries such as Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

Component 3: Improved Customs Administration

Component 3 will enhance the Afghan government's capacity to generate revenue through implementation of value added tax (VAT)[1], in combination with outreach and enforcement, by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

[1] This activity is on hold pending instruction from USAID.

B. EXECUTIVE SUMMARY

Component 1: Support Trade Policy Liberalization

Summary of key achievements

With ATAR's continuous support, the Afghan government made significant progress in bringing Afghanistan's trade-related legislation in line with WTO requirements. ATAR provided support to the government as the laws proceeded from stage to stage and helped prepare for implementation of the laws through working groups and awareness seminars. Among the quarterly highlights, the Upper House of Parliament approved the Law on Geographical Indications and the Law on Plant Protection and Quarantine, and President Ghani endorsed the amendments to the Law on Trademarks, which entered into force in Afghanistan. In other notable developments, amendments to the Law on Patents and the Law on Industrial Designs proceeded from the Ministry of Justice (MOJ) to the Council of Ministers.

ATAR held two productive meetings with the newly appointed Minister of Commerce and Industries to update him on Afghanistan's progress toward WTO accession and the benefits of WTO membership and provide clarifications regarding Afghanistan's terms of accession. The Minister wanted to be fully prepared before presenting WTO to the Council of Ministers and President for approval to proceed with conclusion of negotiations. In addition, ATAR held three seminars targeting government officials and other stakeholders to increase understanding of WTO and Afghanistan's ongoing responsibilities after the country becomes a member of WTO.

Constraints

Afghanistan was well positioned to hold its fifth Working Party meeting, but the date of the meeting is pending the decision of the new Afghan Government.

Component 2: Facilitate Enhanced Access to Regional Markets

Summary of key achievements

ATAR continued support for Afghanistan and its Central and South Asian neighbors toward greater trade and transit facilitation. In a significant step toward finalizing the proposed Pakistan Afghanistan Tajikistan Transit and Trade Agreement (PATTTA), ATAR facilitated trilateral discussions between Afghanistan, Pakistan, and Tajikistan in Dushanbe on April 9-10. ATAR also facilitated the re-activation of the process of ratification of the Cross-Border Transport Agreement-Corridor 5 (CBTA) in the Kyrgyz Republic; the Kyrgyz Ministry of Transport launched the process of inter-ministerial approval prior to submission for adoption by the Cabinet of Ministers.

ATAR continued to build capacity toward promoting and guiding implementation of trade facilitation measures in the region. In Uzbekistan, marking the first event of any kind held by USAID directly with Uzbek customs for more than a decade, ATAR delivered training for 21 officers of Uzbekistan's Customs Committee. ATAR also made significant technical contributions in the areas of trade facilitation and

border management to the United States-Central Asia Trade and Investment Framework Agreement (TIFA) working group meetings, attended by officials from Afghanistan and the Central Asian Republics. In addition, ATAR led discussions during a GIZ-sponsored regional workshop on the WTO Trade Facilitation Agreement (TFA) in the Kyrgyz Republic that included officials from Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan.

ATAR assisted the Export Promotion Agency of Afghanistan (EPAA) in increasing worldwide awareness of Afghanistan's export potential and supporting and educating Afghan exporters. ATAR worked with EPAA on the organization of the Afghan pavilion at the world-renowned Expo 2015, assisted EPAA in signing a memorandum of understanding with two Afghan banks to provide exporters with better access to credit, and supported EPAA and the Ministry of Commerce and Industries (MOCI) in organizing a seminar on promoting Afghan exports to South Asia for more than 80 traders and government officials.

Constraints

The conflict between the Kyrgyz Republic and Tajikistan regarding the Karamyk border crossing point impeded ATAR's work on customs cooperation. In addition, the Turkmen and Uzbek governments are only open for very limited activities with very lengthy bureaucratic procedures.

Component 3: Improved Customs Administration

Summary of key achievements

In a major step toward facilitating trade, the Afghanistan Customs Department (ACD) and Da Afghanistan Bank (DAB) launched the pilot phase of the electronic payment (E-Pay) of customs duties, which will allow those importing goods to pay customs taxes at any commercial bank in Afghanistan. The pilot phase is concentrating on the Kabul Inland Clearance Depot (ICD) and Hamid Karzai International Airport (HKIA). Major communication companies such as Etisalat, MTN, AWCC, and Roshan now use E-Pay to pay their customs duties. ATAR worked closely with DAB and ACD since the start of the project to reach an agreement on E-Pay and implement the system.

ATAR continued to support the development of a Post Clearance Audit (PCA) Department, which would align ACD with international best practices and help improve trader compliance. ATAR submitted to ACD an assessment of its PCA function as well as a PCA implementation action plan. With ATAR support, a PCA working group began meeting. In an effort to strengthen ACD's risk management capability, ATAR also supported the development of a risk management working group. The working group met regularly and agreed on important changes to risk management in Jalalabad that will help to facilitate trade.

Constraints and critical issues

Security concerns regarding ACD prevented ATAR's expatriate staff from embedding at the site. The staff conducted short visits and meetings at ACD where possible and relied as necessary on local ATAR staff who continued to work at ACD with intermittent security restrictions.

C. COMPONENT 1: TRADE POLICY LIBERALIZATION

1. Support WTO Accession Process

ATAR worked with the new administration to update newly appointed officials on Afghanistan's progress toward WTO accession and the benefits of membership.

AFGHANISTAN'S WTO PROGRESS

Afghanistan is in its final stages of WTO accession.

In early 2014, Afghanistan completed its bilateral market access negotiations, which represent around 60 percent of the WTO accession process.

By end 2014, Afghanistan's Working Party proceedings, which represent around 40 percent of the accession process, were 90 percent complete.

Remaining work relates to adoption of WTO-related legislation and resolution of certain policy issues.

Afghanistan's fifth, and possibly final, Working Party meeting had been scheduled for November 2013 and for April 2014 with the concurrence of WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation.

The re-scheduling of Afghanistan's fifth Working Party meeting is now pending the decision of the new Afghan government.

In the first half of June, ATAR met with the newly appointed Minister of Commerce and Industries, the Deputy Minister of Industry, the Director General of International Trade, the Director of Policy and Donor Coordination, and the Advisor to the Minister. ATAR explained the WTO and discussed requirements for Afghanistan's accession and the process of accession, including domestic preparation and the involvement of stakeholders. ATAR then detailed Afghanistan's market access commitments and remaining steps to complete accession. ATAR also discussed the benefits of WTO accession, particularly on regional relations, as well as the challenges; discussed WTO membership in the context of other regional agreements; and explained the advantages of proceeding with accession and the disadvantages of further delays.

ATAR and the Director General of International Trade, with whom ATAR has worked with for the past year and a half, provided clarifications to many misperceptions and answered many questions raised by the Minister and the Deputy Minister in great detail. The Minister wanted to be fully prepared before presenting WTO to the Council of Ministers and President for approval to proceed with conclusion of negotiations.

In the second half of June, the Minister of Commerce and Industries called on ATAR to brief him about the recent progress made on WTO-related legislative documents. ATAR explained the WTO-related legislation as well the regulations and procedures that need to be approved in support of the legislation. ATAR asked the Minister encourage MOJ to focus on WTO-related legislation and to possibly work on the WTO-related legislation as a package required by WTO. The Minister expressed his appreciation of ATAR's efforts and said he will give his full support to finalize WTO-related legislation. He was particularly pleased that ATAR has been supporting various ministries in developing regulations and building capacity for implementing WTO-related laws.

2. Support Legislative Reforms for WTO Conformity

The Afghan government must reform and amend a wide array of legislation to conform to WTO rules and Afghanistan's commitments. This lengthy, complex process is presented in simplified form in the chart.[2] These diverse laws cover every aspect of a modern, vibrant trading regime – including customs reform, trade facilitation, intellectual property rights, food safety, and standardization.



Throughout the quarter, ATAR continued to assist at every stage of the legislative process from line ministry to Parliament.

The following table provides the status of WTO-related legislative items as of the end of June. ATAR's active areas of support for the quarter are highlighted in light blue, and laws that have progressed in status during the reporting period are bolded.

Among the highlights of the quarter:

- The Upper House of Parliament approved the draft Law on Geographical Indications in April.
- MOJ agreed in April, as per the advice of ATAR, to include the draft Law on Topography of Integrated Circuits in its legislative action plan for 1394.
- President Ghani endorsed the amendments to the Law on Trademarks, and the amended law entered into force in Afghanistan in May.
- The Upper House approved the draft Law on Plant Protection and Quarantine and will submit it to the President for signature.
- The draft amendments to the Law on Patents proceeded from MOJ to the Council of Ministers in May.
- The draft Law on Industrial Designs proceeded from MOJ to the Council of Ministers in June.

[2] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	**Legislation**	**Responsible Government Authority/ ATAR Employee**	**Status**	**Stage: 1. Sponsoring Ministry[3] 2. Ministry of Justice 3. Council of Ministers[4] 4. Parliament 5. President 6. Entry into Force**	**Laws/Regulations Included in MOJ Agenda[5]**
1	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	In April 2015, ATAR provided ACD's Director General and ACD's Tariff and Legal Department with additional clarification on the procedure and its significance to further the legislative process.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	In early April, ATAR reviewed a revised law submitted by ANSA. ATAR identified a number of WTO inconsistencies and shared comments with ANSA. On June 7, 2015, ATAR met with ANSA and received the agreement of ANSA on three outstanding issues. ATAR communicated with ANSA through email and is awaiting confirmation from ANSA.	Sponsoring Ministry	No[6]
5	**Law on Plant Protection and Quarantine**	**Ministry of Agriculture, Irrigation and**	**On May 12 and May 24, the National Economic Commission of the Lower House held sessions to discuss questions on article 10 of the draft law**	**Parliament**	**Yes**

[3] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[4] Regulations go to the Council of Ministers and do not proceed further.
[5] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.
[6] Although not on 1393 or 1394 agenda, the MOJ has nonetheless agreed to consider the draft law on standards and technical regulations.

		Livestock (MAIL) Siyar Sahar Luis Flores	**regarding MAIL's issuance of permits and the fee charged. Upon MOCI's request, ATAR provided clarifications. Participants accepted that MAIL can grant permits based on article 10 with a reasonable fixed fee per imported plant or plant-related shipment. A paragraph was added to article 10 to indicate that the general export and import license shall be issued by MOCI and the import permit for plant-related shipments shall be issued by MAIL.** **In June, the Upper House approved the draft law and will submit it to the President for signature.**		
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	In the prior quarter, ATAR assisted MOJ's Education, Culture, and Health Department in conducting several meetings on the draft law. Once the technical review is finalized, the law will proceed to MOJ's Executive Committee.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During the second half of May 2015, MOJ's Executive Committee had two sessions on the food safety law. The committee had comments and made amendments to the draft. ATAR provided counterproposals to MOJ comments and answered questions. During June 2015, ATAR continued to work closely with MOJ on the law. A few issues still require consensus.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	**Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)**	**Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier**	**On May 20, 2015, MOJ submitted the patents law to the Legislative Committee of the Council of Ministers for its review. On June 27, 2015, the Legislative Committee of the Council of Ministers held its first session on the law. The Adviser of the Second Vice-President and other participants had additions and comments, which are being reviewed by ATAR.**	**Council of Ministers**	**Yes**

10	**Amendments to the Law on Trademarks of 1 September 2009**	**MOCI Wali Faqirzaad Polly Maier**	**On Feb. 10, 2015, the President endorsed the law. On May 20, 2015, the trademarks law was adopted.**	**Entry into Force**	**Yes**
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Legislative Committee of the Council of Ministers approved the draft, instructing MOJ to check certain terms. The Afghanistan Development and Peace Research Organization proposed changes. In January 2015, MOJ asked ATAR to check if the amendments were WTO consistent. ATAR found some violate WTO. In June, ATAR finalized the draft with the organization. MOJ and ATAR are reviewing the draft to ensure the changes are acceptable.	Council of Ministers	Yes
12	**Law on Geographical Indications**	**MOCI Wali Faqirzaad Polly Maier**	**The Upper House of Parliament approved the law on April 7, 2015. On May 23, the Upper House and Lower House held a joint meeting to finalize the name of the law. There were reports that some changes occurred on the name of the law and its contents.** **On June 6, 2015, the law was approved by a joint committee of the Lower and Upper House of Parliament and submitted to the Office of State for Parliamentary Affairs (OSPA).** **On June 16, 2015, OSPA held a session in which there was discussion on the name of the law as well as articles 8, 12 and 14. ATAR has no further access to that information, due to the confidentiality. The law is with the President for endorsement.**	**President**	**Yes**
13	**Law on Industrial Designs**	**MOCI Wali Faqirzaad Polly Maier**	**On May 2, 2015, MOJ's Deputy Minister asked ATAR to provide a clearer definition for textile goods. On May 6, 2015, ATAR assisted MOJ with a revised definition consistent with WTO. On June 7, 2015, the draft law was submitted to the Legislative Committee of the Council of Ministers.**	**Council of Ministers**	**Yes**

14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	On May 27, 2015, MOJ sent the draft amendments to the Supreme Court of Afghanistan for review. On June 13, 2015, the Supreme Court submitted the amendments to MOJ with comments and modifications.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	During May, ATAR met with MOJ's Commercial and Private Sector Department and explained the draft law and answered questions. MOJ accepted the draft with some changes, which ATAR reviewed to ensure consistency with WTO requirements. During the second half of June, MOJ's Executive Committee finalized the draft. MOJ's Technical Deputy Minister then reviewed the draft and proposed a board to be established in law. This proposal violated WTO. ATAR explained the situation, and MOJ agreed. At the end of June, MOJ invited ministries for a discussion. The participants agreed to the draft, but the Afghanistan Chamber of Commerce and Industries (ACCI) proposed to add in the law and the title the term "industry" to cover industry as well as trade. ATAR reviewed the proposal upon MOJ's request to ensure it did not violate WTO requirements.	Ministry of Justice	Yes
16	**Law on Topography of Integrated Circuits**	**MOCI Wali Faqirzad Polly Maier**	**On April 3, 2015, ATAR succeeded in including the law in MOJ's legislative action plan for the Afghan year 1394. During April 2015, the Council of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.**	**Ministry of Justice**	**No**
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	MOJ's Executive Committee reviewed the law in the prior quarter. ATAR provided technical assistance to MOJ during review. The law is now with the Minister of Justice for his review.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. In November 2014, ATAR conducted a workshop at MAIL to improve understanding of the law	Sponsoring Ministry	Yes

			and discuss the impact assessment.		
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In April, MOJ's Executive Committee completed its review of the law. On May 3, 2015, the amendments were submitted to the MOJ Deputy Minister for his review. On June 23, 2015, the amendments on the publication law were submitted to the Legislative Committee of the Council of Ministers.	Council of Ministers	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	In April 2015, ATAR analyzed questions raised by MOJ's Executive Committee and prepared clarifications. In June 2015, ATAR had two sessions with MOJ.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	On May 11, ATAR met the Director of Avicina Pharmaceutical Institute and explained that discriminatory fees do not protect domestic investments and are inconsistent with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR met with the Afghan Revenue Department (ARD) in April 2015 to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	During April and May, ATAR assisted MOJ in reviewing the draft law.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the official gazette.	Entry into Force	Yes

3. Support Implementation of WTO Laws and Commitments

Intellectual Property Rights

Trademarks

In support of implementation of the Law on Trademarks, ATAR and MOCI's Afghanistan Central Business Registry-Intellectual Property (ACBR-IP) held awareness seminars for academia and customs officials.



ATAR delivered seminars on trademarks to members of academia.

On May 19 and May 26, ATAR and ACBR-IP delivered two awareness seminars on trademarks to a total of 32 members of academia in Kabul. On May 20, ATAR and ACBR-IP delivered an awareness seminar on trademarks to seven ACD staff.

Each awareness training covered the meaning of intellectual property, function, and types of trademarks. This program helped participants understand the importance of trademarks in terms of economic development and consumer protection.

ATAR also provided on-the-job training for staff of ACBR-IP in performing trademark functions, including examination, classification, and registration. In addition, ATAR prepared a document on automated trademark registry, including structure and functions of a database, and an operational manual for ACBR-IP on the examination, classification, and registration of trademarks to assist with proper administration of the trademark system.

Patents

In support of implementation of the Law on Patents, ATAR held training for ACBR-IP and for members of the private sector. On April 25, ATAR delivered training on patents examination and registration to 20 ACBR-IP staff members, six females and 14 males. On May 3 and May 4, ATAR delivered two awareness seminars on patents to 30 members of the private sector. Each seminar covered an introduction to patents, patentable subject matter, non-patentable subject matter, criteria for patentability, and exceptions to patent rights.



ATAR delivered training on patent examination and registration to MOCI employees.

ATAR also provided on-the-job training on patents examination and registration for ACBR-IP staff. In addition, ATAR submitted to ACBR-IP a document on manual and electronic registration of patents and delivered awareness materials on patents to MOCI.

Copyrights

In support of the Law on Copyrights, ATAR met with MOIC, ACD, the Ministry of Interior, and Attorney General's Office in May regarding the coordination procedure for copyright law enforcement. The authorities accepted the coordination procedure, which was drafted by ATAR and outlines the duty of each relevant agency in enforcing the Law on Copyrights. They agreed to sign a memorandum of understanding (MOU) in support of the procedure. ATAR prepared the draft MOU and shared it with MOIC for finalization and distribution to the agencies.

ATAR assisted MOIC in June in preparing a form for registering copyrighted works. ATAR reviewed previously prepared forms and researched the forms of Pakistan and India. ATAR prepared a draft form for registering literary works in Afghanistan and submitted it to MOIC. ATAR will draft a similar form for registering musical works. Once these forms are finalized, MOIC will start the optional registration of copyrighted works for the first time.

Geographical indications

In support of implementation of the Law on Geographical Indications, ATAR developed public awareness materials and assisted the ACBR-IP office in developing a document on the organization of the registrar

of geographical indications. ATAR also assisted ACBR-IP in understanding and advancing the development of regulations for the law and in advancing the development of rules governing the registrar.

International intellectual property conventions

In April, ATAR supported the Afghan government in its efforts to join international intellectual property conventions. ATAR assisted MOCI in taking domestic measures for enabling membership and preparing application to the Paris Convention for the Protection of Industrial Property, the Madrid Protocol relating to the Madrid Agreement Concerning the International Registration of Marks, and the Singapore Treaty on the Law of Trademarks. ATAR submitted Dari and English versions of the conventions, introductory notes, and accession instruments to MOCI in April.

In May, MOCI's Deputy Minister assigned four General Directorates (International Trade, Private Sector, Legal, and Plan and Policy) to review the submitted documents. The Directorates first reviewed the Paris Convention and will next review the Singapore Treaty.

Sanitary and Phytosanitary Measures

Animal health

ATAR assisted MAIL's Animal Health Directorate in conducting seven working groups to review procedures in support of the Law on Animal Health. Participants included staff from MAIL's Animal Health Directorate, MOCI, and government border inspectors. Participants reviewed the procedures and made suggestions for improvement.

Procedures Reviewed in Support of the Veterinary Control of Import and Export Regulation	Procedures Reviewed in Support of the Animal Health Regulation
• Quarantine, seizure, destruction and disposal of a consignment of live animal(s), a commodity or a controlled article • Disinfection, disinfestations, destruction and disposal of live animal(s), commodities and controlled articles at designated ports of entry or within the territory of Afghanistan • Sanitary measures for the importation of fresh, frozen or partially processed poultry meat. • Sanitary measures for the importation into and transit through the territory of Afghanistan, of live cattle and buffalo • Sanitary measures for the importation into and transit through the territory of Afghanistan of live sheep and goats • Sanitary measures for the importation and transit of horses, donkeys and mules • Application for the issuance of an international veterinary certificate for the export of and animal commodity or controlled article	• Declaration of controlled animal diseases and diseases which shall be subject to control under an animal disease control scheme • Declaration of notifiable animal diseases in the territory of Afghanistan • Publication of changes to existing and proposed new draft procedures for the implementation of the animal health regulations • Delegation of powers and authority to perform functions by the chief veterinary officer to a provincial veterinary officer of the veterinary authority

• Application for the issuance of an international veterinary certificate for the export of and animal commodity or controlled article	

Food safety

ATAR assisted MOPH in conducting five working groups to review procedures in support of the Law on Food Safety. Participants included staff from MOPH, MOCI, EPAA, the National Environment Protection Agency (NEPA), ANSA, Kabul University, and the private sector.

Procedures Reviewed in Support of the Food Safety Law
• Procedure for food hygiene practices for manufacturing, packing or holding • Procedure on food additives permitted for direct addition to food for human consumption

In April, ATAR shared a draft syllabus for the course called "Introduction to Food Safety" with Kabul University and National Agricultural Education College to get their feedback. The course would help provide Afghanistan with specialists to implement the Law on Food Safety under WTO.

Phytosanitary

ATAR assisted MAIL in conducting seven working groups to finalize procedures that will support implementation of the Law on Plant Protection and Quarantine. Participants in the working groups included staff from MAIL's Plant Protection and Quarantine Department (PPQD), ACCI, MOCI, Kabul University, and the private sector.

Procedures Review in Support of the Plant Protection and Quarantine Regulation
• General conditions for the importation of plants, plant products and related articles • Procedures for importing insects/ticks (Ixodidae), nematodes/ microscopic living organisms' cultures including algae/ biological control factors • Creation/certification of post-entry quarantine sites

In the second half of April, ATAR shared a draft syllabus for the course called "Afghanistan Agriculture Import/Export Markets and Plant Health Standards" with Kabul University and PPQD to solicit their feedback. The course will help to provide Afghanistan with the specialists needed to implement sanitary and phytosanitary laws such as the Law on Plant Protection and Quarantine.

In the first half of May, ATAR conducted five days of training for 27 members of MAIL's PPQD on conducting Pest Risk Assessments (PRAs) that will help support implementation of the Plant Protection and Quarantine Law. ATAR provide training that covered different scenarios from Canada, Australia, the United States, Europe, and Latin America. Participants formed three groups following the training, and each group is expected to conduct one PRA on an important commodity for Afghanistan so they can apply their training. ATAR will continue coaching the process long-distance by facilitating access to journal articles, pest databases, and supporting the writing process. The initial PRAs are expected to be complete by the end of September 2015. ATAR will then support a second round of PRAs.

ATAR also drafted an institutional proposal that was accepted by the MAIL PPQD for establishing three PRA units. The units will help to support implementation of the Law on Plant Protection and Quarantine.

4. Assist in Building Capacity and Sustainability of the WTO Unit for Post-Accession

ATAR held three seminars to increase understanding of WTO and ongoing responsibilities after Afghanistan becomes a member of WTO.

On April 26, ATAR conducted a seminar on WTO post-accession for MOCI's WTO Unit and Regional Trade Agreements Departments. Thirty government officials, including five women, from MOCI and other relevant ministries attended the presentation. During the seminar, ATAR and MOCI also delivered presentations on the South Asian Free Trade Area (SAFTA) agreement and the South Asian Association for Regional Cooperation (SAARC) Agreement on Trade in Services (SATIS).

On May 9 and May 11, ATAR conducted seminars on WTO post-accession for MOCI's WTO Unit and other stakeholders. Thirty-one government officials, including seven women, from MOCI and other relevant ministries attended the May 9 presentation, and more than 30 people, including five women, attended the second on May 11.



ATAR conducted seminars on WTO post-accession for MOCI and other stakeholders.

The series is a coordinated technical transfer effort in conjunction with a paper called "WTO Unit – Post-Accession Structure for Afghanistan's Ongoing Effective WTO Membership and Participation" that has been submitted for discussion to MOCI top management.

5. Assist in Building Analytical Capacity

Trade Policy Analysis Unit

Computer software training

On April 27, ATAR completed 80 hours of training on the "Application of Computer Software for Trade Statistics and Analysis" for trade specialists from the Central Statistics Organization (CSO), MOCI, and EPAA.

The training was a part of ATAR's support for implementation of a memorandum of understanding between CSO, ACD, and EPAA to reduce the discrepancy of reporting trade figures by different agencies.

Sensitive goods analysis

In April and May, ATAR assisted MOCI's Trade Policy Analysis Unit (TPAU) in trade analysis of sensitive goods of Afghanistan and Pakistan under the South Asian Free Trade Area (SAFTA) agreement based on economic models including the latest data of ACD and CSO on Afghan exports and imports. ATAR worked with TPAU to assist in preparing a list of goods that are of potential interest to Afghan exporters, and Afghanistan will request those items be removed the sensitive lists of Bhutan, Bangladesh, and Sri-Lanka.

ATAR also assisted the TPAU in preparation of its five-year (2010-2015) trade policy review. ATAR and TPAU prepared two drafts: one focused on tariff, import/export/transit data, and economic impact; and 2) the other describing the impact of trade agreements and profiles of Afghanistan's main trade partners.

What is SAFTA?

The South Asia Free Trade Area (SAFTA) is a regional free trade agreement between Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. These countries form the South Asian Association for Regional Cooperation (SAARC).

Afghanistan ratified SAFTA on Jan. 7, 2011, and the agreement came into effect on Aug. 7, 2011. The agreement provided Afghan producers with greater and more consistent access to SAFTA countries' markets and provided consumers with greater access to affordable, imported products.

In a sign of SAFTA's success, exports of Afghanistan increased more than 40 percent in the first quarter of 2015 compared to the same period of 2014. The value of exports to SAFTA countries almost doubled, reaching almost 70 percent of Afghanistan's total exports. In the first quarter of 2015, imports of Afghanistan increased about 25 percent compared to the same period of 2014. Pakistan, India, and China are the top three importers of Afghan goods.

Component 1: Planned Activities

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Continue supporting development of regulations and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue support for applying to intellectual property conventions
- Build capacity of ACD on advance rulings to facilitate establishment of Advance Rulings Unit.
- Support development of syllabus and training materials for ANSA Training and Information Center
- Assist in development of draft Law on Legal Units of Measurement and Law on Metrology
- Conduct needs assessment for National Metrology Institute
- Conduct an assessment of food laboratory at MOPH
- Develop a WTO awareness plan
- Build capacity of MOCI WTO Unit to lead WTO awareness building and educate stakeholders in private sector and public sector on WTO and Afghanistan's WTO commitments
- Support TPAU in building a partial equilibrium model to assess impact of WTO accession
- Assist MOCI TPAU in preparing half-year review on tariff and trade policy.
- Provide training to CSO on analyzing export data from ACD and EPAA

D. COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. Afghanistan

Trade Facilitation Support – Central Asian Republics

PATTTA

ATAR facilitated the organization and logistics of an Afghan delegation's trip to Dushanbe on April 9-10 for consultations with Pakistani and Tajik counterparts regarding the proposed PATTTA. ATAR also supported MOCI in preparing Afghanistan's negotiating team for the PATTTA discussions.

The next round of meetings with an eye to successfully concluding discussions on outstanding key issues is expected to take place in August 2015.

What is PATTTA?

PATTTA would extend the Afghanistan Pakistan Transit and Trade Agreement (APTTA) to Tajikistan, providing Pakistan and Afghanistan with access to Central Asian countries and providing Tajikistan with access to Pakistan's seaports by way of Afghanistan. PATTTA would also improve upon APTTA by better facilitating trade and reducing costs.



ATAR supported trilateral discussions in Dushanbe on the proposed PATTTA.

Trade Facilitation Support – South Asia

SAARC/SAFTA

ATAR began assisting MOCI in preparing for the Ninth Meeting of the SAARC Ministerial Council and the Tenth Meeting of the SAFTA Committee of Experts in Kabul in early August.[7] ATAR held several meetings with MOCI to discuss logistical issues and communication materials for these events. President Ghani is likely to attend the SAARC ministerial meeting. This is the first time SAARC will hold its ministerial conference in Afghanistan.

In tandem, ATAR continued to provide analytical support to MOCI's TPAU on issues related to SAFTA sensitive lists as outlined in the "TPAU/Sensitive Goods Analysis" section of Component 1.

Afghanistan-Pakistan trade and transit trade facilitation

In April, ATAR provided input for talking points on trade and transit facilitation between Afghanistan and Pakistan and the status of implementation updates for MOCI's Deputy Minister and Director General to use during discussion with Pakistani counterparts. ATAR included a white paper called "Ongoing Infrastructure and Procedural Issues at Wagah Land Crossing" prepared in coordination with USAID's Commercial Horticultural Agricultural Program (CHAMP). ATAR also provided talking points and data for the Director General's closing comments for the Made in Pakistan Exhibition and Conference that occurred in April in Kabul.

[7] The meetings have since been rescheduled for early September 2015.

ATAR continued its work to support three trade areas highlighted in a meeting between the Afghan and Pakistani Ministers of Finance in November 2015: a One Stop Border Post at crossing points between Afghanistan and Pakistan, collection of customs duties and taxes by ACD at Pakistani ports, and transshipping of Afghan transit trade in Peshawar.

On May 24, ATAR held a presentation at ACD to review the One Stop Border Post model developed with ATAR support. The One Stop Border Post model would lay the groundwork for establishment and implementation of joint border customs controls at the border crossing points between Afghanistan and Pakistan. ACD gave its consent on the proposed model but suggested obtaining approval from the Ministry of Finance before discussing the modality with other stakeholders.

ATAR also completed a draft modality on establishing Afghan customs offices at Pakistani seaports and neared completed for a modality for trans-shipping in Peshawar. In addition, ATAR assisted in reviewing the Preferential Trade Agreement between Afghanistan and Pakistan as well as the Mutual Assistance Agreement on Customs Matters between both countries.

Afghanistan-India trade and transit trade facilitation

In April, per the request of MOCI, ATAR examined the draft Motor Vehicles Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between Afghanistan and India.

ATAR determined the agreement does not seem to have any provisions that cannot be implemented and requires the development of new procedures to meet various formalities for traffic movements. The routes, and recreational, entry, and clearance points need to be elaborated. On April 28, President Ghani and the Prime Minister of India discussed the need to proceed with the agreement.

Trade/Business Promotion

EPAA

ATAR supported EPAA in initiating development of a national export strategy for Afghanistan through meetings with stakeholders. ATAR also worked closely with EPAA on developing product-specific export promotion, marketing, and branding strategies for Pakistan. ATAR expects the initial draft will be completed and delivered to EPAA by August. ATAR had prepared similar strategies for India and submitted them to EPAA in the prior quarter.

Expo Milano 2015

ATAR assisted EPAA in organizing the Afghan pavilion at Expo Milano, which is being held in Milan, Italy, from May 1 to Oct. 31. ATAR helped EPAA to develop a video to showcase Afghan food and culture, a booklet highlighting Afghanistan's export potential, a booklet of traditional Afghan recipes, and posters promoting Afghanistan. ATAR also supported EPAA in the start-up of the pavilion by meeting with partners in Milan; assisted in the organization of the pavilion before the opening date and arrival of MOCI's Deputy Minister and his delegation; welcomed the Afghan delegation upon their arrival to Milan; and assisted in planning for the inauguration of the pavilion, which occurred May 3.



A visitor to the Afghan Pavilion looked at a display of Afghan saffron (left). Deputy Minister Shinwari cut the ribbon for the inauguration of the pavilion (right).

Access to finance

On April 5, ATAR assisted EPAA in signing an MOU with Afghan Rural Finance Co. (ARFC) and Afghanistan International Bank (AIB) to provide exporters with better access to credit. Under the MOU, EPAA will recommend exporters to these financial institutions for export credit on easier terms. USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project will facilitate these loans.



EPAA former Chief Executive Officer Najlla Habibyar (right) signed an export finance agreement with ARFC (left).

On April 21, ATAR assisted EPAA in organizing training on trade finance for 35 exporters. The objective was to educate exporters on trade finance products offered by various banks in Afghanistan. ARFC and AIB made presentations and explained how Afghan exporters can take advantage of short-term credit to finance export activities.

Seminar on promoting Afghan exports to South Asia

On May 12, ATAR assisted EPAA and MOCI in organizing a seminar called "Promoting Afghan Exports to South Asia: Opportunities and Challenges" for more than 80 traders and government officials.

The Minister of Commerce and Industries, Indian Ambassador, and Deputy Minister of Agriculture, Irrigation and Livestock were a few of the officials who opened the seminar. MOCI's Director General of International Trade chaired the sessions. He and the First Secretary of Commerce of the Indian Embassy joined representatives from USAID projects such as ATAR, CHAMP, FAIDA, the Assistance in Building Afghanistan by Developing Enterprises (ABADE) project, and the Regional Agricultural Development Program-South (RADP-South) in responding to questions raised by exporters during the panel discussion.



Minister of Commerce and Industries Humayoon Rasaw opened the seminar on promoting Afghan exports to South Asia.

Marble sector

ATAR worked with the Afghanistan Marble Association and Afghanistan Marble Center for Excellence to move Afghan marble producers up the value chain. During April, ATAR assisted a marble processor to obtain a crane and other equipment from India for cutting and polishing; this was partly financed by USAID's ABADE project under a public-private partnership mechanism.

TIR

On May 19-20, ATAR held a Transports Internationaux Routiers (TIR) awareness workshop for transport operators at ACCI. There were 21 participants in the first day, and 18 participants on the second day. Topics covered included the TIR system, benefits to transport operators, and the TIR carnet application procedure. ATAR also provided an overview of transit routes, border crossing points, and information on how TIR can simplify international shipments to Central Asia.

At ATAR's suggestion, participants agreed to meet regularly after the workshop to review and recommend action plans to encourage a wider adoption of TIR. The participants will form a working group committee including representatives from ACCI, ACD, Ministry of Transport and Civil Aviation (MOTCA), Association of Afghan Freight Forwarding Companies (AAFFCO), and transport operators approved for the TIR system. ACCI will be the secretariat, and the first meeting is planned in August. The working group committee will provide recommendations to the National TIR Technical Committee for policy formulation.

WHAT IS TIR?

Transports Internationaux Routiers (TIR) is a customs transit system that simplifies the movement of cargo across at least one border. The principles and guidelines for implementing TIR are described in the TIR Convention 1975. In September 2013, TIR was reactivated in Afghanistan after three decades of suspension.

ATAR also began planning with MOTCA, ACCI, and MOCI for a "TIR Week" scheduled for August. The TIR week will start with a TIR roundtable, followed by a TIR national capacity building workshop, and conclude with a transport and trade facilitation committee with a focus on customs.

On June 1-2, ATAR conducted a workshop for RADP-S on the topic of supply chain management. Twenty-three participants attended the first day, and 18 participants attended the second day. The workshop covered supply chain management, agriculture supply chain in Central Asia, global procurement and cold chain management.

2. The Kyrgyz Republic

CBTA

ATAR met with the international relations department of the Kyrgyz Ministry Transport and facilitated the re-activation of the process of ratification of Afghanistan's protocol of accession to the CBTA.

The Kyrgyz Ministry of Transport launched the process of inter-ministerial approval prior to submission of the protocol for adoption by the Cabinet of Ministers. In the latter half of June, the deputy head of the international relations department said that a list of endorsements had been sent to several ministries for signature. Although he would not name them, he indicated several Ministries had responded positively to the list of endorsements.

WHAT IS CBTA?

The Cross Border Transport Agreement (CBTA) between Afghanistan, the Kyrgyz Republic, and Tajikistan helps link East Asia with the Middle East and South Asia through Corridor 5. Corridor 5 connects East Asia to the Arabian Sea through Central Asia. The corridor is one of the six transport corridors that traverse the Central Asian Economic Cooperation (CAREC) region. CAREC brings together Afghanistan, Azerbaijan, China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan and promotes regional projects.

Afghanistan signed the accession protocol to join the CBTA in November 2011. However, due to discrepancies in the English and Russian versions of CBTA, the countries agreed to re-sign the protocol.

WTO TFA

The Kyrgyz Ministry of Economy informed ATAR in May of the formation of a working group to oversee implementation of the WTO Trade Facilitation Agreement (TFA), based on information given by ATAR in two prior presentations. The working group is composed of trade association members, the Chamber of Commerce and Industry, producers, the Ministry of Economy, and border agency personnel. A Deputy Minister of Economy will head the working group, which will be tasked with developing an implementation work plan and providing input into the formation of a National Trade Facilitation Committee. The committee will oversee the implementation recommendations from the working group. ATAR will work with the working group and national committee.

In order to raise awareness of the WTO TFA, ATAR worked with GIZ to hold a WTO TFA roundtable on April 21 in Bishkek for 29 representatives of trading companies, service associations, and donor organizations. ATAR made presentations and led the discussions, while GIZ provided the venue and handled logistics issues.

WHAT IS WTO TFA?

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved WCO Revised Kyoto Convention (RKC) provisions, a number of improved provisions in existing WTO agreements, and new trade facilitation provisions. This new agreement presents a new framework for promoting regional reforms to facilitate trade, reduce corruption, improve transparency and private sector participation, and strengthen transit rights. The agreement will enter into force when two-thirds of the WTO member countries submit a letter of acceptance to the WTO Trade Facilitation Committee.

ATAR also discussed at length with the Kyrgyz Minstry of Economy the importance and procedures for early ratification of the WTO TFA. In the latter half of June, the Ministry of Economy notified ATAR that an official translation of the TFA in the Kyrgyz language is required to begin the processes for government acceptance of the TFA. ATAR identified a company authorized by the government to submit official translations in the Kyrgyz language and agreed to terms with the company. The translation should be completed by the end of July.

Authorized economic operators

In May, ATAR completed a review of the Kyrgyz government resolution that is a regulation of the implementation of the activities of an authorized economic operator (AEO). The review found the designed system has no security features as specified by the World Customs Organization's (WCO) Framework of Standards to Secure and Facilitate Trade (SAFE) program. The WCO would view it as a customs compliance program rather than an AEO program. The WCO states a customs compliance program "could be a first step or stepping stone to a WCO SAFE AEO program."

WHAT IS AN AEO?

An AEO is defined by the WCO SAFE Framework as a party involved in the international movement of goods, that has been approved by, or on behalf of, a national customs administration as complying with WCO or equivalent supply chain security standards.

Additionally, although it mentions simplified procedures, the designed system does not clearly define the advantages granted to AEO participants. ATAR is preparing recommendations for a model AEO system based on the European Union system.

Customs Consultative Council

In the first half of June, ATAR met with the new first Deputy Chairman of Customs to discuss the resumption of the regular customs consultative council, which promotes public-private dialogue between customs and other border agencies with interested trade members. The Deputy Chairman showed his support of organizing such meetings in both Bishkek and Osh.

ATAR held follow-up meetings to finalize the agenda for the first meeting, which was held in Bishkek on June 18. The first Deputy Chairman of Customs chaired the meeting and led the discussions. Eighteen traders, three customs representatives, the Ministry of Health, USAID, ATAR, and the Ministry of Economy attended the event. The Osh meeting is tentatively scheduled for the second half of July.

3. Tajikistan

PATTTA

ATAR supported the trilateral meeting on April 9-10 in Dushanbe between Afghanistan, Pakistan, and Tajikistan, offering guidance and clarifications to the parties on the proposed PATTTA. ATAR provided a Russian translation of the Afghan counterproposal for extending APTTA to include Tajikistan, which was used as the basis for the discussions. ATAR hosted a final dinner at which the minutes of the second trilateral forum were signed in the presence of the Ambassadors of the United States, Afghanistan, and Pakistan. ATAR supported the Tajik government to finalize the updated draft agreement identifying the provisions agreed upon during the meeting.

Support to the Tajikistan State Customs Service

ATAR continued to support the Tajikistan State Customs Service. In April and May, ATAR completed development and translation of a proposal for dialogue between Tajik customs and private-sector representatives on the requirements to comply with PCA requests. This included a presentation and public notice, a training course, and a concept paper and recommendations. ATAR translated the documents and provided them to the Tajikistan State Customs Service. ATAR is awaiting notification of the customs staff appointed to the PCA division and their feedback to the proposals in preparation of the delivery of the training in September 2015.

ATAR began developing a model concept for the AEO program for consideration by Tajikistan. The program would enable customs to quickly move previously identified low-risk cargo through the ports of entry and border crossing points.

ATAR also began researching anti-corruption measures and strategies in preparation for implementation of anti-corruption measures as stipulated in the CBTA. The measures under analysis include adoption of a voluntary compliance scheme and improvement to online publication of trader-relevant information.

In addition, ATAR developed a proposal to improve an existing regulation and to encourage the re-launch of a program for the issuance of advance rulings. The existing regulation was introduced in 2007, but the recent WTO TFA compliance assessment conducted by ATAR found that Tajik customs is not applying the practice. ATAR continued to conduct comparative analyses of best practices and regional customs laws and regulations with regard to strengthening the advanced rulings facility.

Support to the Ministry of Economic Development and Trade

In April, ATAR participated in the first meeting of the working group on WTO obligations of Tajikistan. The program had as its basis the Tajikistan post WTO-accession plan that was developed by USAID's Regional Economic Cooperation (REC) project in 2014. The plan includes separate activities to address the problems of transport and transit through Uzbekistan, Afghanistan, and the Karamyk border with the Kyrgyz Republic.

In addition, ATAR finalized the Russian translation of the report "Benefits and Challenges of the potential Afghanistan-Pakistan-Tajikistan-India Trade and Transit Agreement" in April and submitted it to the First Deputy Minister of the Ministry of Economic Development and Trade.

Support to the private sector

In response to a request for capacity building efforts from the Tajikistan Chamber of Commerce and Industry (TCCI), ATAR developed presentation materials to motivate Tajik exporters to increase exports, to maximize their potential at trade shows, and to negotiate deals. ATAR will present the materials in a private-sector forum convened through the TCCI's Trade Promotion Center and in partnership with UNDP's Aid for Trade program.

TIR seminar

ATAR participated in a regional TIR seminar in May with representatives from customs administrations of Azerbaijan, Turkey, and Tajikistan, and representatives of the Association of International Transport Operators of Tajikistan (ABBAT), which is the Tajik national transport association authorized to issue TIR carnets. The main objective of the seminar was to analyze the status of implementation of the TIR Convention. The four-day seminar culminated in a visit to the Dusti border crossing point with Uzbekistan.

ATAR will continue discussion with ABBAT regarding its proposal to establish a TIR "green lane" window which could provide simplified acceptance, review, and release of documents for trucks coming to the Tajik border under TIR carnet.

In June, ATAR met with the chairman of the Association of the International Road Transport Operators (AIRTO), the national transport association of the Kyrgyz Republic to learn more of its best-practice implementation of the TIR-EPD (Green Lane) model at the border crossing point of Tilek with Kazakhstan. The model was implemented as part of a partnership between Kyrgyz customs, the Kyrgyz Ministry of Transport, AIRTO and the International Road Transport Union. AIRTO processes 22,000 TIR carnets annually. AIRTO confirmed it can and will support training and awareness sessions.

4. Turkmenistan

Export promotion support

At the request of USAID/Ashgabat, ATAR prepared a draft proposal for a four-day training event for promoting Turkmen textile exports. In addition to marketing and sales strategies, the draft agenda covered strengths, weaknesses, opportunities, and threats analysis, value chain re-adjustment, and market and regulatory requirements for exporting to other countries.

In response to interest from the Turkmen Export Promotion Institute on USAID's export promotion support, ATAR provided a note highlighting USAID activities in neighboring countries related to export promotion and suggestions for support for the Turkmen Export Promotion Institute, Institute on Research of Commodity Circulation of Turkmenistan's National Goods, the Institute of Strategic Planning and Economic Development of Turkmenistan, and the Chamber of Commerce and Industry of Turkmenistan. ATAR is awaiting approval from the Ministry of Foreign Affairs on the proposed trainings and support.

WTO TFA

ATAR completed its assessment and translation into Russian of Turkmenistan's legal, regulatory, and institutional framework for conformity with the WTO TFA. ATAR submitted the report to USAID Turkmenistan in May.

WTO/WCO customs assessment

ATAR completed the translation of the assessment of the Turkmen customs code with WTO agreements and WCO RKC and shared the Russian version with USAID Turkmenistan. With ATAR support, USAID submitted a cover letter for transmitting the analysis to the Ministry of Foreign Affairs of Turkmenistan and offering the State Turkmen Customs Service help with changes in the Turkmen code to align it with the WCO RKC and WTO customs-related agreements. ATAR is awaiting concurrence from the Ministry of Foreign Affairs to launch preparation.

Meeting at the Ministry of Textile Industry of Turkmenistan

ATAR facilitated a meeting with the Chairman of Balkh Chamber of Commerce and Industry of Afghanistan and the Head of the Department of Foreign Economic Affairs of the Ministry of Textile Industry of Turkmenistan. During the meeting, participants discussed the possibility of Turkmen textile factories to supply products to Afghanistan and further cooperation between Afghan businesses and the Ministry of Textile Industry of Turkmenistan.

5. Uzbekistan

Customs risk assessment and management seminar

On May 12-15, ATAR delivered training for 21 officers of Uzbekistan's Customs Committee. This was the first event of any kind held by USAID directly with Uzbek customs for more than a decade. The participants represented a cross-section of customs disciplines including inspectors from land crossings and the airport, currency control, valuation, human resources, the training academy, and the Office of Internal Security.

The program aimed to familiarize Uzbek customs with modern border management concepts including risk management and assessment, advance information, AEOs, supply chain security, information exchange (customs-to-customs and customs-to-business), and compliance measurement.

Participants were divided into three groups on the fourth day and were assigned to develop an AEO program based on risk for Uzbekistan. The three groups completed the task and presented in the afternoon, demonstrating understanding of the concepts and how to apply them for facilitating trade and reducing the cost of doing business in Uzbekistan.





ATAR delivered training to 21 Uzbek customs officers.

ATAR provided a CD for each participant containing the presentations, RKC (English and Russian), WTO TFA (English and Russian), IRU Green Lanes (English and Russian),[8] and a list of essential fields for a customs risk management database.

ATAR started preparing additional proposals for training Uzbek customs on PCA and customs valuation. These proposals will be submitted through official letter for consideration by authorities.

[8] With model pilots from Moldova and Serbia-Bulgaria border crossings.

Route study

ATAR revised a terms of reference for a study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. The study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan.

6. Cross-Cutting

TIFA Working Group meetings

On June 10-12, ATAR participated in the TIFA working group meetings organized by the Commercial Law Development Program (CLDP) in Astana, Kazakhstan, on customs, sanitary and phytosanitary (SPS), and technical barriers to trade (TBT). Participants included officials from customs authorities, ministries, and standardization agencies from Afghanistan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.

ATAR delivered two presentations: 1) Customs Perspective: Best Practices in Trade Facilitation and 2) Customs Services Border Cooperation and Communication with SPS and TBT Inspectors. ATAR, in addition, supported CLDP in facilitating working group meetings and provided guidance and clarifications as needed. ATAR shared with participants the WCO manuals on PCA in Russian. The Kyrgyz Veterinary Service was particularly interested in progress in Tajikistan on SPS risk analysis, which was supported by ATAR. ATAR shared materials for a training course on the conduct of qualitative import risk analysis and a presentation on risk management.

ATAR held many meetings at the margin of these working groups with officials from all six countries and provided clarifications and shared best practices on issues including trade facilitation, customs reforms, customs information technology systems, and conformity with international SPS and TBT standards and related WTO agreements.

Fortified wheat flour consultation

On June 15, ATAR participated by video in a stakeholder consultation called “Harnessing Production and Trade of Fortified Food Supplies for Afghanistan and Central Asian Region.” Global Alliance for Improved Nutrition (GAIN) hosted the conference in Islamabad, Pakistan; the conference was attended by about 20 public- and private-sector thought leaders, including millers and wheat and flour traders; this was the first of several stakeholder consultations to be hosted throughout Central and South Asia.

Regional comparative advantage/trade complementarity study

ATAR completed a 275-page study on regional comparative advantage and trade complementarity. ATAR started developing action plans to accompany this report for each of the countries (Afghanistan, India, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan) to be shared with country counterparts and stakeholders to maximize trade in Central and South Asia.

TFA Regional Workshop in Issyk-Kul

On June 15-16, GIZ sponsored a regional WTO TFA regional workshop in Issyk-Kul. In preparation for this session, ATAR coordinated daily with GIZ and developed the agenda. ATAR, United Nations Conference on Trade and Development (UNCTAD), and UN Economic Commission for Europe (UNECE) representatives developed presentations for the event. The ATAR WTO expert chaired both days of the workshop. The participants were from the Kyrgyz Republic, Tajikistan, Kazakhstan, and Uzbekistan. The workshop provided participants with knowledge of the WTO TFA, other possible trade facilitation techniques, information on forming a National Trade Facilitation Committee, and a methodology for developing an implementation work plan.



An ATAR expert spoke with participants in the TFA regional workshop.

Component 2: Looking Forward

- Continue to support the PATTTA process
- Continue development and finalization of modalities for Afghan customs at Karachi; transshipping in Peshawar; and a single border stop at crossing point Afghanistan-Pakistan
- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Facilitate the development of a memorandum of understanding on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Support the Tajikistan State Customs Service on the national strategy for integrated border management
- Build capacity of Tajik State Customs on post-clearance audit
- Support implementation of select provisions of trade facilitation in Kyrgyzstan including AEOs
- Develop country-specific action plan based on regional study on comparative advantages and trade complementarity
- Launch trade route mapping study linking Uzbekistan and India and Arabian Sea
- Launch free economic zones assessment
- Continue implementation of aspects related to South Asia strategy
- Continue promoting regional trade and customs initiatives with Central Asia
- Continue support SAFTA implementation

- Support the SAARC Ministerial meeting to be held in Kabul in August 2015
- Continue building EPPA capacity
- Continue supporting EPAA in its participation in Expo Milano 2015
- Provide support for the RECCA meeting to be held in September 2015

E. COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

1. Support Regional Integration

See Component 2 on pages 25-26 for further information on regional integration between Afghanistan, Pakistan, and Central Asia.

2. Institutionalize the Border Management Model

ATAR continued to monitor the implementation of the Border Management Model (BMM) through weekly reporting from regional staff. The weekly reports highlight examples of best practices and areas of concern that need to be raised with ACD's Director General.

WHAT IS BMM?

Afghanistan's BMM establishes clear roles and responsibilities for ACD, which is responsible for cross-border trade, and the Afghan Border Police (ABP), which is charged with immigration and national security at the borders.

The model encourages information sharing between the two entities to stem corruption, smuggling, and other illegal activities. The aim of the model is also to reduce interaction with other agencies operating at the border, thereby speeding trade across the border.

In July 2011, the BMM was implemented on a pilot basis at the Hairatan Border Crossing Point (BCP) in Balkh. Following this successful initial implementation, ACD implemented the model at other BCPs.

3. Strengthen the Customs Code and Customs Policies

ATAR continued to support ACD in a review of its customs regulations and procedures to help ensure that they are aligned with international standards. ATAR concentrated its technical assistance on reviewing and discussing PCA legislation and procedures with the legal department.

4. Implement Risk Management Systems

ATAR continued to monitor ACD's risk management in Kabul, Herat, Jalalabad and Mazar-e Sharif through risk management data that was obtained at a regional level by ATAR's staff in the regions. ATAR developed a template for a weekly compliance snapshot that will allow ACD management to closely monitor regional compliance and performance data. This was developed as an interim measure until ATAR receives the comprehensive ASYCUDA World data.

In April, ATAR undertook a joint visit with ACD's Director of Enforcement to Herat. They reviewed Herat's risk management system, checked processes, and conducted meetings to discuss concerns and issues. They ascertained there was a need for basic risk management awareness and training.

In effort to build ACD's regional capacity in risk management, ATAR delivered basic training on June 15 to ACD managers in Herat. The training covered risk management standards, processes, and steps as well as proper completion of an Automated System for Customs Data (ASYCUDA) profile request. In an effort to reach additional ACD staff, nominated trainers from ACD's Enforcement Directorate staff will deliver ATAR's risk management training to additional regions upon completion of ATAR's train-the-trainers course.

WHAT IS RISK MANAGEMENT?

In the past, ACD policy required all imports and exports be subjected to a physical examination; this caused delays in clearing goods and was an inefficient use of staff resources.

In 2012, ACD developed and implemented a revised interdiction strategy based upon the principles of risk management. Risk management is an internationally accepted approach to using limited resources to focus on trade transactions that pose the greatest risk, and allow all other trade transactions to be cleared with minimal or no controls.

Risks include revenue loss through undervaluation, misclassification, or smuggling and interdiction of prohibited goods such as narcotics or pre-cursor chemicals. On the other hand, under risk management, traders and brokers with a documented history of compliance with ACD's laws and requirements face minimal to no intervention.



ATAR delivered risk management training to ACD in Herat.

ATAR and ACD will also conduct joint visits to Mazar and Jalalabad to review risk management at those locations.

In May, ATAR met with the Director of Enforcement and Intelligence Manager to discuss risk management and profiling and re-implementation of the national anti-smuggling hotline. To progress risk management and profiling, it was agreed that a working group would be implemented to review profiles, improve targeting of non-compliant traders, and introduce international best practices.

On June 13, the risk management working group met for the first time. Seven ACD Enforcement Directorate staff members, as well as two ATAR staff, discussed the purpose of the working group and its objectives, data collected within regions and its significance, and action points for the next meeting. The participants agreed to focus on Jalalabad initially and agreed on seven action points for the next meeting.

Since then, the working group met regularly and agreed upon important changes to risk management, most notably of which was a reduction in the intervention rates at Jalalabad Inland Clearance Depot (ICD). These reductions will be achieved through analysis of relevant data and adjustment of risk profiles depending on levels of recorded risk. A reduction in these control levels will facilitate legitimate trade and allow ACD sufficient time to focus on examining goods believed to be high risk. Once implemented, the changes to these intervention rates will result in a further 110 consignments being released without intervention (green lane) every week. There will also be a reduction in the number of goods physically examined (red lane) by around 60 consignments a week.

The working group also took steps toward implementing the use of Random Selectivity at Jalalabad ICD. Random Selectivity allows ACD (on a automated level through ASYCUDA) to select a very small percentage of consignments that would otherwise have been selected for non-intervention (green lane). This allows ACD to “test the risk” and confirm the assessment that a particular consignment poses little risk. ACD can change their risk profiles accordingly in the event an infraction is identified. Random Selectivity also ensures a trader or broker can never pre-empt whether their consignment will be selected for examination or not. For example, even if a trader were to learn the commodity they imported was subjected to zero controls, there would still be a chance it could be selected for examination under Random Selectivity.

ATAR assisted ACD in reconfiguring the necessary equipment to service ACD’s national anti-smuggling hotline. It is anticipated that the hotline will be activated in July. However, there is a concern regarding the lack of an adequate regular power supply to keep the system operational over the weekends.

5. Implement Electronic Payment of Customs Duties

On May 30, ACD and DAB launched the pilot phase of the E-Pay of customs duties, which will allow those importing goods to pay customs taxes at any commercial bank in Afghanistan. The pilot phase is concentrating on the Kabul ICD and HKIA. On successful completion of the pilot phase, the remaining ICDs will be included.

Before the launch, ACD trained DAB staff on the accounting module of ASYCUDA, tested the connectivity between Kabul ICD and HKIA, and installed ASYCUDA software in DAB headquarters

The pilot phase initially encountered some minor technical problems, but there were quickly identified and resolved. The major communication companies such as Etisalat, MTN, AWCC and Roshan are using E-Pay to pay their customs duties.



Deputy Minister of Finance Gul Maqsood Sabit (center) spoke at the press conference announcing the launch of E-Pay of customs duties.

6. Increase Gender Representation in ACD

ATAR began an internship program in late 2014, placing young university graduates at ACD for six months to prepare them for a possible career at ACD or to give the foundation for a job in the trade sector. While ATAR focused on recruiting mainly females for the program, the vast majority of qualifying resumes were from males. ATAR selected nine interns, including two females and seven males, for the internship program.

Eight interns completed their six-month internships on June 7 and one intern on June 12. The students worked in ACD's tariff, exemption, PCA, valuation, tariff research and statistics, and transit departments. ATAR supported the ACD internship program through regular meetings and daily workplace support. ATAR began a second recruitment of ten interns in May for deployment in August.

7. Reduce Corruption at ACD

ACD began reviewing proposals submitted by ATAR on the Internal Audit Unit and Professional Standards Unit that will form part of a comprehensive compliance strategy. ATAR will discuss the proposals and the strategy further in May to progress implementation. If agreed upon, ATAR proposed the implementation of working groups to progress these initiatives.

In tandem with the ACD compliance strategy, ATAR regional staff began reviewing areas where enhanced use of automated systems may help reduce opportunities for corruption and identify management controls that are in place and being utilized by ACD managers. The review will highlight best practices and identify any shortcomings and propose solutions.

8. Implement Outreach Programs

ATAR helped ACD develop electronic payment educational posters that can be placed at ACD and commercial banks and assisted ACD in developing a press release regarding electronic payment. ACD, DAB and the Deputy Minister of Finance held a press conference on May 13 to announce the launch.

9. Support Streamlined Customs Procedures

ATAR regional customs specialists continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures, which contains thirteen steps.

ATAR reported on the status of streamlined procedure compliance at the following ICDs: Kabul, HKIA, Jalalabad, Herat, and Hairatan. The latest status report highlights that all ICDs have introduced additional steps.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	1	2
New steps introduced	4	1	5	4	7
Total Additional Steps	5	7	6	5	9
TOTAL	18	20	19	18	22

In addition to the above, ATAR is also reporting on the release times of consignments which are allocated to either the green lane (release), yellow lane (documentary check), and red lane (examination). The latest release times are shown below.

	Green	Yellow	Red
Herat ICD	45 Minutes	1 Hour	3 Hours
HKIA	50 Minutes	1 Hour	1 Hour 20 Minutes
Jalalabad ICD	1 Hour 12 Minutes	1 Hour 38 Minutes	2 Hours 25 Minutes

Balkh ICD	1 Hour	1 Hour 30 Minutes	2 Hours
Aquina ICD	50 Minutes	1 Hour 30 Minutes	2 Hours
Shir Khan Bandar	1 Hour	1 Hour 20 Minutes	2 Hours 30 Minutes

10. Support ANCA

ATAR developed a train-the-trainers course that focuses on presentation skills and delivered the course to 10 staff from the Afghanistan National Customs Academy (ANCA) and the ACD Enforcement Directorate in May. ATAR also developed "How to Deliver" training for the following modules: mobile verification teams, risk management, intelligence, ASYCUDA profile request forms, selectivity and targeting, and pocket notebooks. The workshops are scheduled for August. After delivery, ACD will be able deliver the training modules to all staff in those work areas.



An ANCA employee practiced his presentation skills during ATAR's train-the-trainers course.

ATAR continued to support ANCA in implementing best practice administrative guidelines and is in the final stages of drafting the instruction manual. ANCA trainers continued to review their own training material to agree on the latest versions, which will be transferred to the shared drive, exclusively for ANCA. In addition, ANCA trainers will also start drafting trainers' notes on training material they have transferred to the shared drive.

ATAR continued to liaise with ACD's Director of Enforcement and the Mobile Verification Team (MVT) Manager on the development of MVT training. The duration of the MVT training modules is four weeks. The objective is to develop competencies, knowledge, and skills of officers through classroom and practical training. ATAR is translating the material and trainers' notes into Dari. At the request of ACD, ATAR developed and is translating modules on airport training, coach search, vehicle search, and freight examination.

In August, ATAR will deliver a workshop that will focus on how to deliver the MVT training modules. At the end of the training, ATAR will liaise with the Director of Enforcement and ANCA to formulate a plan to deliver the MVT training course to all MVT staff.

11. Enhance the Development of Post Clearance Audit

ATAR continued to support the development of the PCA Department and submitted to ACD an assessment of its PCA function in May. The report highlighted areas that need improvement to establish a PCA Department using international best practices.

What is PCA?

PCA allows ACD to build confidence in a customer's internal operating procedures to identify his or her own compliance with relevant laws and procedures. As such, if a company has robust measures in place to ensure they follow all rules, then there is a better chance they will be voluntarily compliant. Once appropriate confidence is secured following the audit, ACD can then significantly reduce intervention controls for that particular trader. As these companies account for a large percentage of imports, ACD can focus their frontier efforts on the smaller percentage of traders that are less likely to be compliant.

ATAR's analysis found the customs law is insufficient to support a robust PCA approach; the PCA mandate is still linked to frontier operational activity instead of a central compliance-based function; existing review documents are too focused on linking PCA to targeting high-risk transactions and more enforcement-related activities; there are no formal PCA procedural guidance and associated working documents; there exists a lack of a well-documented and compliance-based audit plan; and PCA personnel are not trained in audit techniques and lack the required range of skills.

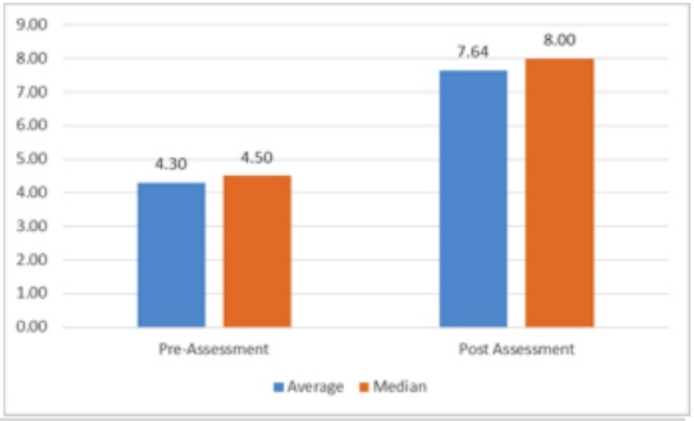
ATAR also submitted a PCA implementation action plan to ACD. The implementation plan contains strategic and operational decisions that need to be made in regard to legislative review and amendment; team mandate (compliance not revenue collection); geographical location (centrally located with the capacity to expand into the regions); infrastructure and resources; recruitment of technical personnel; reporting avenues; and access to ASYCUDA data.

In a follow-up meeting with ATAR, the Director Operations supported the implementation of a PCA working group, which would progress the adoption of international best practices. The working group had an introductory meeting on June 1 and met on June 13 to discuss the working group, review the roadmap, and discuss allocation of tasks and highlight the responsibilities of the chairman and members.

12. Strengthening the TIR and Transit Regimes

On May 11-12, ATAR delivered a "TIR Train the Trainers for Customs – Using the TIR Carnets" for 24 participants from ACD and ANCA. The customs officers learned how to complete the TIR carnet, and all participants successfully passed the course. TIR is a customs transit system that simplifies the movement of cargo across at least one international border.





ATAR delivered training to customs officers on how to complete a TIR Carnet (left). All participants passed a test upon completion and improved their knowledge of TIR (right).

13. Enhancing ACD Performance

ATAR collected data on revenue, trade, and other for a financial and economic model to evaluate the performance of the customs administration relative to good practices and allow the comparison of customs offices without regards to the size of the office. ATAR also provided training to ACD's Tariff Department on data entry into the designed model to obtain and interpret the results. The report is being reviewed.

Component 3: Looking Forward

- Continue regional work with ACD
- Progress the full implementation and automation of e-payment
- Continue to assist ACD in reviewing regulations and procedures
- Support ANCA in reviewing training material, developing new material, and delivering training
- Support ANCA in implementing training curriculum and standard operating procedures
- Continue implementation of the enforcement plan
- Support launch of national anti-smuggling hotline
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency
- Develop with ACD the timeline and activities for the implementation of an Internal Audit Unit and Professional Standards Unit
- Support of implementing a professional post clearance audit function
- Provide technical assistance to ACD in TIR and Transit
- Continue to draft appropriate modality assessment for collection of customs revenue in Pakistan
- Develop training modules in management and leadership skills
- Support risk management working group and PCA working group
- Recruit for and support new internship program

F. ACTIVITY IMPLEMENTATION

ATAR Project Objective: Improved trade environment for Afghanistan, fostering increased investment, export, and market-based employment opportunities

USAID Afghanistan DO1: Sustainable, Agricultural-led Economic Growth Expanded
USAID OEG Afghanistan Mission PMP IR 1.1: addressed: Employment Opportunities
USAID OEG Afghanistan Mission PMP Sub-IR 1.1.4: addressed: Regional Trade Increased

USAID Afghanistan DO3: Performance and Legitimacy of Government of the Islamic Republic of Afghanistan (GIROA) Improved
USAID OEG Afghanistan Mission PMP IR 3.1: addressed: Citizens Hold the Government of the Islamic Republic of Afghanistan (GIROA) Accountable
USAID OEG Afghanistan Mission PMP Sub-IR 3.2.2: addressed: Policies and Procedures Improved

Indicator Table[9]

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical Transition Period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit)	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO)	$6.8 billion in 1393 (ACD)	$6.8 billion in 1393 (ACD)	Track-ing only	Trade volume is defined as the licit trade value of goods brought into Afghanistan (import), the value of Afghan goods sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). Total volume of trade in 1393 was $6,797,675,878.64 based on ACD data, including imports ($6,297,561,293.97) and exports ($500,114,584.66).

[9] Annual statistics gathered by GIROA are reported according to the Afghan solar calendar, in which 1391 covers March 2012 to March 2013; 1392 covers March 2013 to March 2014; and 1393 covers March 2014 to March 2015.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
2	Growth in (real) gross domestic product (GDP) per capita	Outcome/ Impact Required by Prime Contract	By sector	CSO, World Bank Report	Annual	$21 billion in 1391 (CSO)	$21.2 billion in 1392 (CSO)	$21.2 billion in 1392 (CSO)	Track-ing only	Missions are not expected to report on this indicator. The information is tracked by USAID's Economic Growth and Trade (EGAT). Annual percentage growth rate of GDP per capita based on constant local currency. GDP per capita is GDP divided by mid-year population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Note: Based on a CSO report, the total value of Afghanistan's GDP in 1392 was $21.2 billion.
3	Foreign trade(X-M) as a percentage of GDP	Outcome/ Impact Required by Prime Contract	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank)	Import 47% Export 6% 2013 (World Bank)	Import 47% Export 6% 2013 (World Bank)	Track-ing only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. Note: This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP).	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported next quarter	Will be reported next quarter	Track-ing only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.
5	Export	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$ 500 million in 1393 (ACD)	$ 500 million in 1393 (ACD)	Track-ing only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. **Disaggregation by country:** exchange rate $1=57.38 AFN India = $152.69 million Pakistan = $141.51 million UAE = $41.81 million Turkey = $29.83 million Tajikistan = $29.55 million Iran= $19.78 million Others = $ 71.48 million

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#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
6	Import	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$6.29 billion 1393 (ACD)	$6.29 billion 1393 (ACD)	Track-ing only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. **Note:** Based on ACD's data in 1393, total value of Afghanistan imports was $6.29 billion. **Disaggregation by country:** Exchange rate $1=57.38 AFN Pakistan = $1.18 billion China = $1.41 billion Iran = $973.75 million Turkmenistan = $382.54 million Kazakhstan = $371.14 million Japan = $329.77 million Uzbekistan = $300.63 million Malaysia = $292.92 million Others = $1.31 billion
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2015)	184 (Doing Business Annual Report 2015)	Track-ing only	The World Bank Doing Business report presents quantitative indicators compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2015 report, Afghanistan is ranked 184 out of 189 countries.
8	Ease of Doing Business rank	Outcome/Im pact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	183 (Doing Business Annual Report 2015)	183 (Doing Business Annual Report 2015)	Track-ing only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small- to medium-sized business when complying with relevant regulations. Based on the 2015 report, Afghanistan is ranked 183 out of 189 countries.
9	Number of public policies introduced, adopted, repealed, changed or implemented consistent with citizen input	Outcome/ Impact USAID requested indicator	Policies introduced Policies adopted Policies repealed Policies changed Policies implemente d	Project/ program document s, direct observatio n, analysis of secondary data and third-party observatio n (i.e. monitoring of public policy by local NGO)	Annual	0	0	0	Track-ing only	Public policies include any law, regulation, policy or similar directive that is formally adopted by either the legislative branch or a unit of the executive branch at any level.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										

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#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
10	Reduction in discrepancy between the Central Statistics Office and the ACD on trade statistics	Output USAID requested indicator	N/A	CSO/ACD	Annual	27%	19.90%	19.90%	10%	The difference between values reported by ACD and CSO divided by the average of the two values, shown in percentage. Note: Based on trade statistics data from ACD and CSO for 1393, the overall discrepancy was 19.90%.
PIR 1.1: WTO accession process finalized										
11	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarter-ly	0	19	4	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. 1. Law on Plant Protection and Plant Quarantine submitted to the Council of Ministers by MOJ 2. Law on Animal Health and Veterinary Public Health submitted to MOJ by MAIL 3. Law on Geographical Indications submitted to Council of Ministers by MOJ 4. Law on Trademarks approved by Council of Ministers and submitted to Parliament 5. Amendments to the Customs Law submitted to Council of Ministers by MOJ 6. Amendments to the Patents Law submitted to Councils of Minister by MOJ 7. Procedure on Intellectual Property Border Enforcement submitted to the Minister of Finance for signature. 8. Procedure on Intellectual Property Border Enforcement adopted and came into force on April 12, 2014 9. Copyright Law submitted on July 27, 2014, by MOJ to the Council of Ministers. 10. Law on Animal Health and Veterinary Public Health submitted by MAIL to MOJ 11. Law on Geographical Indications submitted to the Parliament in Oct. 11, 2014 12. Law on Trademarks approved by Lower House and submitted to Upper House of Parliament in Oct. 29, 2014 13. Law on Trademarks approved by Upper House. 14. Law on Trademarks endorsed by President. 15. Law on Topography of Integrated Circuits law sent to MOJ. 16. Law on Plant Protection and Quarantine approved by Economic Commission of the Lower House 17. The Law on Geographical Indications approved by the Lower House of Parliament 18. The Law on Geographical Indications was approved by the Upper House of Parliament. 19. The Law on Trademarks was published by MOJ and came into force.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
12	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quart-erly	0	8	1	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR. The reforms in the project's results are: 1. Institutional proposal accepted by MOCI for establishing a safeguard unit 3. Five ISO mirror committees established: petroleum products and lubricants; food products; textiles; gas cylinders; concrete, reinforced concrete and pre-stressed concrete 3. Mechanism for coordination and cooperation between ANSA and other government entities on enquiry/notification 4. Institutional proposal accepted by MAIL PPQD for establishing three PRA Units
13	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quarterly	0	39	10	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level with ATAR support. This mainly refers to the first draft finalized at the Ministerial level. 1. Twelve procedures related to food safety drafted and agreed by working group at MOPH. 2. Three procedures related to Food Safety Law drafted and agreed by working group at MOPH during December 2014 to 31 March 2015. 3. One procedure related to Food Safety Law drafted and agreed by working group at MOPH during April-June 2015 4. Draft regulations for implementing Law on Animal Health finalized. 5. Seven procedures for implementing Law on Animal Health prepared by the working group at MAIL. 6. Five additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during period Nov. 2014-March 2015 7. Four additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during April-June 2015 8. Draft regulations to implement Law on Plant Protection and Quarantine prepared by working group at MAIL during April-June 2015 9. Four draft procedures for implementing Law on Plant Protection and Quarantine finalized during April-June 2015 10. Draft copyrights coordination procedure finalized during April-June 2015
PIR 1.2: WTO implementation process developed and executed										

USAID FOIA No. F-00159-16 Non-Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
14	Number of public events held to discuss trade and business policy matters with stake-holders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	198 events (participants include 1,837 males, 339 females)	31 events (462 participants include 423 males, 39 females)	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, roundtable discussions, and other trade gathering.
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Month-y	0	31	6	30	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. 1. WTO awareness seminar for MOJ in February 2014 2. Awareness about regional opportunities (Dushanbe business-to-business event) June 2014 3. Fourteen awareness events about food control authority and the legal authority contained in the draft food law and its supporting regulations 4. Three events in October 2014 on building awareness of trade opportunities under CATF and World Food/Almaty 5. SPS awareness seminar at MAIL (Feb. 2014) 6.Awareness training seminar on trademarks for the private sector(Feb. 2015) 7.Awareness training seminar on procedures for trademark registration for the private sector (Feb. 2015) 8. Awareness training seminar on trademarks for the legal community (Feb. 2015) 9.Two training seminar on geographical indications for the private sector (March 2015) 10. Two awareness seminar on patents for private sector 11. Three awareness seminar on trademarks for academia 12. TIR awareness workshop for transport operator (ACCI)

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator Output USAID requested indicator	Province	Project records	Quart-erly	0	18	3	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and trade opportunities. 1. Document for President Karzai office on WTO 2. Presentation developed for WTO awareness seminar for MOJ 3. Awareness materials on TIR 4. Copyrights general pamphlet 5. Copyrights music pamphlet 6. Copyrights publishers pamphlet 7. Copyrights awareness article 8. Educational materials on indication of production of place 9. Presentation to educate Tajik public and private sector about APTTA 10. Note to President Ghani on Afghanistan's WTO Accession 11. Strengthening food safety in Afghanistan 12. Good hygiene practices for businesses 13. SPS agreement awareness PowerPoint 14. Note for President Ghani regarding bilateral trade issues with Pakistan 15. Note for President Ghani regarding transit trade issues with Pakistan 16. Awareness materials on geographical indications 17. Awareness materials on trademarks 18. Awareness materials on patents
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
17	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be deter-mined (TBD) from per-ception survey	TBD from perception survey	TBD from perception survey	40% in-crease	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders.
PIR 2: Regional and global integration enhanced										

<table>
<tr><th>#</th><th>Indicator</th><th>Indicator Type</th><th>Disaggre-gation</th><th>Data Source</th><th>Timing</th><th>Baseline</th><th>Project Achieve-ment from start (Nov. 2013 to June 2015)</th><th>Project Achieve-ment from April 2015 to June 2015</th><th>Life-of-Project Target</th><th>Notes</th></tr>
<tr><td>18</td><td>Percentage share of trade with regional partners</td><td>Outcome/ Impact

USAID requested indicator</td><td>Country</td><td>National statistics of respective countries</td><td>Annual</td><td>TBD</td><td>See the notes column</td><td>N/A (to be provided end of 2015)</td><td>Track-ing only</td><td>This indicator will capture the share of Afghanistan's trade with regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan.
<table>
<tr><th rowspan="2">Country</th><th colspan="2">2013</th><th colspan="2">2014</th></tr>
<tr><th>Import</th><th>Export</th><th>Import</th><th>Export</th></tr>
<tr><td>India</td><td>2.5%</td><td>22.5%</td><td>2.2%</td><td>27.6%</td></tr>
<tr><td>Kazakhstan</td><td>3.7%</td><td>0.4%</td><td>5.6%</td><td>0.8%</td></tr>
<tr><td>Kyrgyzstan</td><td>0.1%</td><td>0.0%</td><td>0.2%</td><td>0.0%</td></tr>
<tr><td>Pakistan</td><td>21.1%</td><td>35.4%</td><td>19.2%</td><td>32.9%</td></tr>
<tr><td>Tajikistan</td><td>0.7%</td><td>2.4%</td><td>0.3%</td><td>5.9%</td></tr>
<tr><td>Turkmenistan</td><td>9.3%</td><td>3.0%</td><td>6.6%</td><td>1.3%</td></tr>
<tr><td>Uzbekistan</td><td>5.3%</td><td>1.9%</td><td>5.6%</td><td>0.5%</td></tr>
</table></td></tr>
<tr><td colspan="11">Sub-IR 2.1: Enabling environment for enhanced access to regional markets established</td></tr>
<tr><td>19</td><td>Number of signed initiatives on regional integration (Disaggregated by signed and launched)</td><td>Output

USAID requested indicator</td><td>Type of initiative</td><td>Project records, MOCI</td><td>Quart-erly</td><td>0</td><td>7</td><td>1</td><td>8</td><td>Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support.
1. Transit and Transport Agreement with Azerbaijan launched
2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed
3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers of Afghanistan
4. Trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan launched
5. Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA)
6. India allowed Afghan trucks to unload cargo in Indian territory
7. Lapis Lazuli Trade and Transit Agreement launched (Afghanistan, Azerbaijan, Georgia, Turkey, and Turkmenistan)</td></tr>
</table>

USAID FOIA No. F-00159-16 Additional Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
20	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	17	3	24	This indicator will capture the number of interactions and dialogues between businesses and government organizations in the region on policy reform issues. 1. Two trade facilitation workshops in the Kyrgyz Republic in April and June 2014 2. A session during the Dushanbe business-to-business event related to policy reform involving businesses and government representatives 3. A session led by MOCI/EPPA on March 19, 2014, with women businesses 4. A session at MOCI on July 16, 2014, regarding para-tariffs under SAFTA 5. A session at MOCI on July 17, 2014, regarding issues related to rules of origin 6. Session on regional trade challenges and practices under an export development course in the Kyrgyz Republic in May 2014 7. Two roundtables in Kabul with private sector to discuss problems related to APTTA 8. Transport and Logistics workshop held in Kyrgyzstan on Dec 22, 2014 9. Three public-private roundtables in Dushanbe on PATTTA in Feb. and March 2015 10. One public-private forum in Bishkek re the WTO TFA in March 2015 11. A session led MOCI to finalize SAFTA sensitive list in consultation with private sector, ACD and other ministries 12. Seminar on “Promoting Afghan Exports to South Asia” entailed significant dialogue between 80 businesses and government officials from MOCI and MOF/ACD 13. A roundtable in Bishkek on trade facilitation involving Ministry of Economy, border agencies, and traders on April 21
21	Number of proposals discussed to harmonized customs procedures or documents on transit corridors	Output USAID requested indicator	BCP	ATAR project records	Annual	0	9	2	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays. ATAR launched a number of customs harmonization initiatives, including risk management and post clearance audit that are ongoing. 1. Memorandum on information exchange and trade facilitation between Afghanistan and Tajikistan 2. Memorandum on mutual exchange of risk management information in customs mattes (Afghanistan, Kyrgyz Republic, and Tajikistan) 3. Modality for single border stop between Afghanistan and Pakistan 4. Recommendations for conformity with WTO TFA in Afghanistan 5. Recommendations for conformity with WTO TFA in Kyrgyz Republic 6. Recommendations for conformity with WTO TFA in Tajikistan 7. Recommendations on advance rulings in Kyrgyz Republic 8. Recommendations on AEO for Uzbekistan 9. Recommendations to improve coordinated border management in Tajikistan

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
22	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/ gender	Project records, EPAA	Monthly	0	788 firms	125 firms	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR. ATAR helped build the capacity of 788 firms, as detailed below: • June 2014 Dushanbe business-to-business event: 45 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, • 107 businesses from Dushanbe business-to-business event • July 2014 EPAA seminar series on market research and international markets: 10 • July 2014 seminar series on global logistics: 8 • October 2014 training and roundtables to prepare for participation in CATF/World Food: 13 • February/March 2014 preparatory meetings for CABOC in Afghanistan: 40 • 20 business attended two trainings on exports in Kabul • 110 business attended TIR conference in Kyrgyzstan • 81 businesses attended two roundtables and one seminar on export credit • 7 businesses were assisted to participate in Domotex • 15 businesses participated in India Stone Mart • 9 businesses were assisted to participate in Gulfood • 9 business participated in Aahar exhibition • 10 business were trained on Letter of Guarantee • 5 businesses were assisted to participate in World Food Exhibition in Kazakhstan in Nov. 2014 • 13 businesses were assisted to participate in a craft selling exhibition in Italy • 51 businesses comprising of businesses and government officials participated in TIR awareness seminar in Kabul • 22 businesses were participated in access to finance for trader conference • 23 businesses were participated in trade finance training • 80 private exporters participated in “Promoting Afghan Exports to South Asia” in May 2015
Sub-IR 2.2 Benefits from enhanced market access expanded										
23	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	$ 1,580 Corridor 5, $ 719 Corridor 6	$2,393 Corridor 5 (2013)	$2,393 Corridor 5 (2013)	Track-ing only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
24	Number of laden vehicles crossing Afghanistan border in each direction	Outcome/ Impact Required by Prime Contract	By Torqundi, Hairatan, Sher khan Bandar, Torkham and Weish	ACD	Annual	(As of 2012) Hairatan: 66,851Imports 2,734 Exports Torqundi: Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Will be reported next quarter	Track-ing only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
25	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$157 (2012)	$235 (2013)	$235 (2013)	Track-ing only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable.
PIR 3:Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
26	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million 1392	$875 million 1392	Track-ing only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses.
PIR 3.1: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
27	Number of permanent professional positions allocated for women within ACD that have been staffed	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	77	1 (58 ACD)	0	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
28	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	18	15	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months. **Note:** In the last six months from January to June, ATAR hired 15 interns, 4 females and 11 males. Nine of the interns interned at ACD, 2 females and 7 males. ATAR will focus on recruiting women under the next internship program.
29	Average number of days required to trade goods across borders (average of export/import time)	Outcome/Impact Required by Prime Contract	Province	ACD World Bank Doing Business report	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Sher Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Herat: 3 hours and 30 minutes Hairatan: 2 hours 40 minutes Jalalabad 3 hours 30 minutes Shir Khan Bandar: 2 hours 30 minutes Aquina: 2	Average Herat: 1 hour and 35 minutes Hairatan: 1 hour 33 minutes Jalalabad 1hours 55 minutes Shir Khan Bandar: 1 hour 37 minutes Aquina: 1 hour and 27 minutes	2 hours	This Sub IR indicator is from the World Bank's annual Doing Business report (see the indicator table in the back of the publication). It is a component of the "trading across borders" section, and is comprised of the components called "time to export (days)" and "time to import (days)" ICD / Green / Yellow / Red Mazar (Balkh ICD) / 1hr / 1hr 20min / 1hr 50min Aquina ICD / 50min / 1hr 30min / 2hrs SKB / 1hr / 1hr 20min / 2hrs Herat / 45min / 1hr / 3hrs Jalalabad / 1hr 38min / 1hr 50min / 2hrs 30min HKIA / 50min / 1hr / 1hr 20min **Note:** ATAR is not working at Kabul ICD due to security.
30	Number of documents required to export/import goods across borders decreased as a result of USG assistance	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10 Import/ 10 Export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2015)	10 Import/ 10 Export (World Bank Doing Business report 2015)	Track-ing only	Reduction in the number of documents required to trade goods across borders as imports or exports; change in the total number of documents required as per World Bank Doing Business Indicator, confirmed by the Mission. Reducing the number of different documents required in cross border trade is key to maximizing the improved efficiency that trade generates as a basis for faster economic growth and poverty reduction. Business report. Based on the 2015 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
31	Time to export/ import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	Track-ing only	Missions are not expected to report on this indicator. The information is tracked by EGAT. The time necessary to comply with all procedures required to export goods. If a procedure can be accelerated for an additional cost, the fastest legal procedure is chosen. Doing Business compiles procedural requirements for exporting a standardized cargo of goods by ocean transport. Documents associated with every official procedure are counted—from the contractual agreement between the two parties to the delivery of goods—along with the time and cost necessary for completion. For exporting goods, procedures range from packing the goods at the warehouse to their departure from the port of exit. The time and cost for ocean transport are not included. Payment is made by letter of credit, and the time, cost and documents required for the issuance or advising of a letter of credit are taken into account. The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators.
32	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	7	1	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline. 1) Simplified Procedures is constantly being reported on. It has been proposed that a review takes place due to the implementation of ASYCUDA World. 2) Post Clearance Audit has not been implemented under international best practice. ATAR is supporting ACD to assist in this area. 3) E-Payment is not fully implemented but should be later this year. 4) ATAR has submitted an implementation paper for a Professional Standards Unit 5) ATAR has submitted an implementation paper for an Internal Audit Unit 6) The national anti-smuggling hotline will be reactivated in the near future. 7) ATAR entered discussions with ANCA to implement best practices in regards to administrative controls of training material.
33	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	0	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management. Note: This will be a priority in the next period. ATAR will undertake an informal review of the current systems in place for risk profiling, risk management profiles (part of internal audit unit review to improve internal compliance), risk registers etc.
34	Number of training modules developed by ATAR	Outcome/ Impact USAID requested indicator	None	ATAR project records	Annual	0	17	9	45	This indicator captures number of modules ATAR developed in support of ANCA from the start of the project through March 2015: 1. Basic Risk Management; 2. Intermediate Risk Management; 3. Risk Profiling; 4. Valuation Fraud; 5. Valuation (Basic); 6. Professional Standards; 7. PCA Awareness / Implementation; 8 Compliance for Senior Management Training modules developed from April to June 2015 include: 1. Mobile verification team; 2. Vehicle search; 3. Coach search; 4. Airport; 5. Freight; 6. Compliance and risk management; 7. Audit procedures and working papers; 8; Post clearance audit process; 9. Operational and tactical audit planning
35	Revenue collection by electronic means	Outcome/ Impact USAID requested indicator	ICD	ACD	Annual	0	0	0	75%	The collection of revenue by electronic means relates to the amount of ICDs that have ASYCUDA and the percentage of declarations processed through ASYCUDA compared to the total of declarations received at all ICDs.

USAID FOIA No. F-00159-16 Non-Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
36	Person hours of training completed in trade and investment enabling environment supported by USG assistance	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	116 trainings (1,849 participants including 1,558 male and 291 female) 1,6747 person days of training	17 trainings (333 participants including 287 male and 46 female) 2114 person days of training	120 trainings/ 1,200 participants	This indicator uses the following equation to express the number of USG-supported training hours that were completed by training participants: Hours of USG supported training course x Number of people completing that training course Support from the USG: This indicator counts training hours that were delivered in full or in part as a result of USG assistance. This could include provision of funds to pay teachers, providing hosting facilities, or other key contributions necessary to ensure training was delivered.
Cross-Cutting Indicators										
37	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarter-ly	0	13	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator. 1. Consultative meeting on Feb. 22 with fruit and vegetable businesses 2. Consultative meeting on March 3 with handicraft, carpet, gemstones, and marble businesses 3. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 4. Consultative meeting with KCCI regarding customs valuation practices 5. Working group for development of implementing regulations for Law on Food Safety 6. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment 7. Working group on developing implementing legislation for the Law on Animal Health 8. Consultative meeting on sensitive list with stakeholders 9. Consultative meeting with Afghan Marble Association on problems faced by marble sector 10. Consultative meeting with the Ministry of Transport on revising transport laws in the context of TIR 11. Consultative meeting with MOCI on reactivation of TIR 12. One customs Consultative meeting in Bishkek between customs and traders on June 18 13. Consultative working group on trade facilitation Lake Issyk Kul June 15-16
38	Person-days of training of key personnel in trade and customs regulation	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	120 days	32 days	70 days	Government, private sector participants, days, hours in trainings of trade and customs regulation. Note: All events that ATAR conducts are trade-related for this indicator ATAR just considers customs events.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from start (Nov. 2013 to June 2015)	Project Achieve-ment from April 2015 to June 2015	Life-of-Project Target	Notes
39	Number of laws, policies, or procedures drafted, proposed or adopted to promote gender equality at the regional, national or local level (GNDR-1)	Output USAID requested indicator	By law, policy, or procedure	project/program reporting	Annual	0	0	0	Track-ing only	Any law, policy, or procedure designed to promote or strengthen gender equality at the regional, national or local level, which was developed or implemented with USG assistance.

G. COLLABORATION

Links with relevant Afghan government ministries

ATAR's success is dependent on its close relationship with the Afghan government, specifically ACD, MOCI, MOJ, EPAA, and other ministries and government agencies relevant to Afghanistan's WTO accession and trade environment. ATAR had staff embedded at ACD, MOCI, MOJ, and EPAA to work with staff regularly, but faced security challenges at times.

ATAR's expatriate staff was unable to embed at ACD due to security restrictions, but the expatriate staff conducted meetings and short visits as possible and relied on local staff that largely remained embedded with intermittent security restrictions. In addition, following an explosion at the MOJ in May, local staff that had been embedded at MOJ moved their permanent location to MOCI and worked at MOJ on an as-needed basis.

Despite these security issues, ATAR continued working closely with ACD, MOCI, and MOJ and other relevant ministries and related entities such as MAIL and MOPH by conducting meetings, trainings, and working groups to ensure that government officials were part of the decision-making process and had a thorough understanding of topics such as WTO activities (including draft laws, regulations, and procedures) and international standards.

Links with other donor agencies

In support of the project's activities in Central Asia, ATAR continued to work with donor agencies, in particular GIZ. ATAR led discussions during a GIZ-sponsored regional workshop on the WTO TFA and worked with GIZ to hold a WTO TFA roundtable in the Kyrgyz Republic. UNCTAD and UNECE also participated in the regional TFA workshop.

Links with other USAID projects

In Central Asia, ATAR was co-located with USAID's REC project at the Chemonics' office in Tashkent, Uzbekistan, and continued to coordinate on regional trade activities. ATAR also supported the U.S. Department of Commerce's CLDP in its TIFA working group meetings.

In Afghanistan, ATAR liaised with USAID's CHAMP, ABADE, RADP-S, and FAIDA on events and activities such as the Kabul seminar on promoting exports to South Asia and the agreement between EPAA and the two banks on better credit terms for exporters.

H. MANAGEMENT AND ADMINISTRATIVE MATTERS

Personnel

The Component 1 Team Manager position remained open. Recruitment for the Component 3 Deputy Team Manager is completed, while recruitment for Component 1 and Component 2 Deputy Team Managers is ongoing.

Adaption of the activity

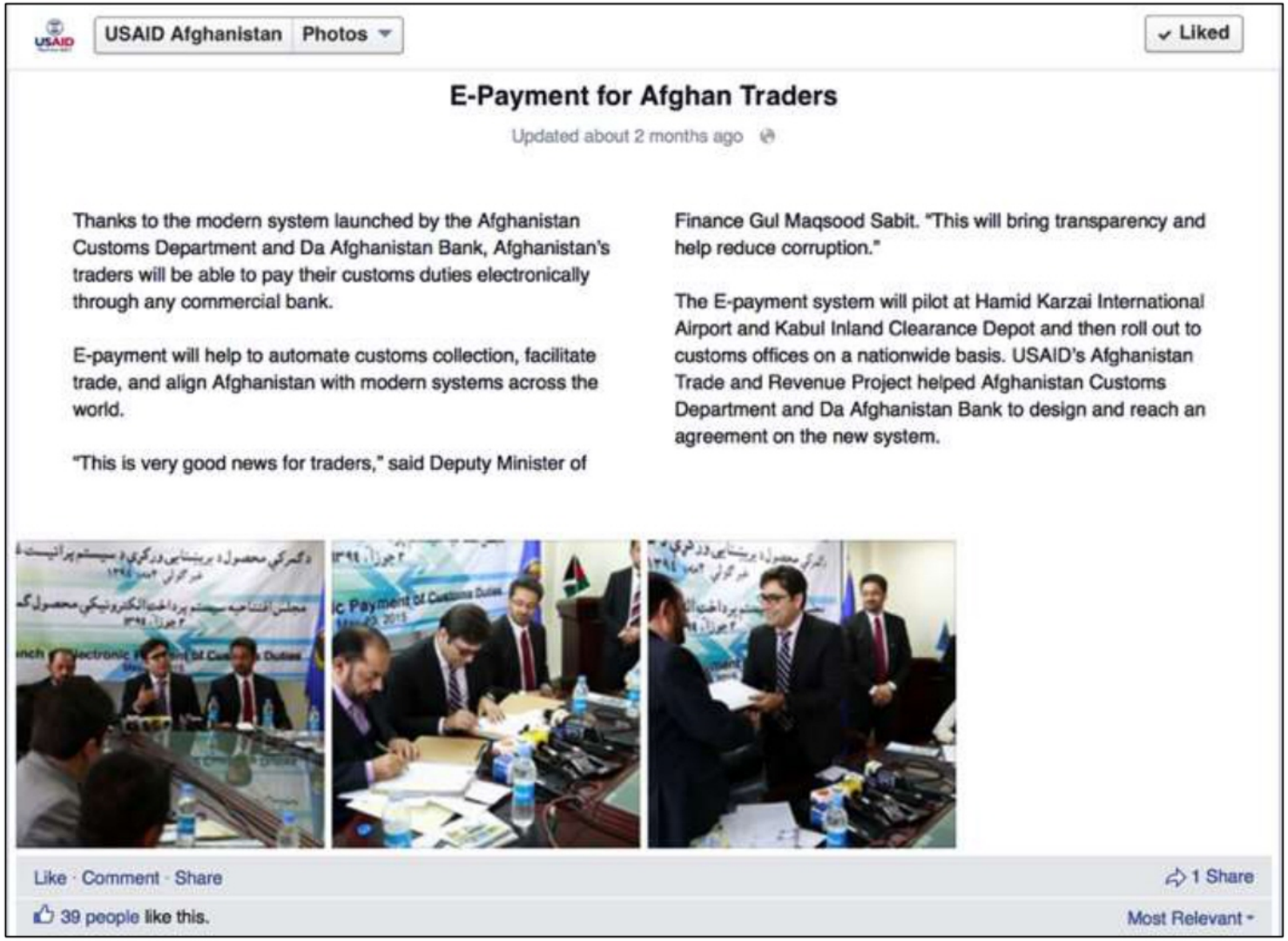
No major changes to the project's statement of work were made during the reporting period.

Modifications and Amendments

Modification 5, dated May 5, 2015, increases the obligated amount.

ANNEX A: USAID SOCIAL MEDIA HIGHLIGHTS

E-Pay press conference on USAID Facebook in May



"Promoting Afghan Exports to South Asia" seminar on USAID Facebook in May



“Afghanistan Goes Global” video on international trade exhibitions on USAID Facebook in April



ANNEX B: AFGHAN INFO ACTIVITY REPORT

ATAR Activities List in Afghan Info					
Province	**District**	**Village**	**Start Date**	**End Date**	**Activity Description**
Kabul	Kabul	KABUL	4/1/2015	4/1/2015	On April 1, ATAR assisted MAIL's Animal Health Directorate in conducting two working groups to review the procedure on sanitary measures for the import and transit of cattle and buffalo.
Kabul	Kabul	KABUL	4/1/2015	4/15/2015	During the first half of April, ATAR provided input for talking points on Afghanistan-Pakistan trade and transit trade facilitation and the status of implementation updates for MOCI's Deputy Minister Shinwari and Director General Rahim to use during discussion with Pakistani counterparts.
Kabul	Kabul	KABUL	4/1/2015	4/15/2015	In the second half of April, ATAR shared a draft syllabus for the course called "Afghanistan Agriculture Import/Export Markets and Plant Health Standards" with Kabul University and PPQD to solicit their feedback.
Kabul	Kabul	KABUL	4/1/2015	4/15/2015	In the second half of April, ATAR shared a draft syllabus for the course called "Introduction to Food Safety" with Kabul University and National Agricultural Education College to get their feedback.
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	ATAR assisted EPAA in organizing Expo Milano and developing communication materials for the event, which will be held in Milan, Italy, from May 1 to Oct. 31.
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	ATAR completed its assessment of Turkmenistan's legal, regulatory, and institutional framework for conformity with the WTO TFA and is translating the document for transmission to Turkmen authorities .in Turkmenistan
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	ATAR completed the study on regional comparative advantage and trade complementarity and identify viable value chains. ATAR produced a 275-page report detailing the analysis. in Uzbekistan
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	ATAR completed the translation of the assessment of the Turkmen customs code with WTO agreements and the World Customs Organization (WCO) Revised Kyoto Convention (RKC) and shared the Russian version with USAID Turkmenistan. in Turkmenistan
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	ATAR prepared an outline for one week of training on customs risk management and authorized economic operators to be delivered to Uzbek customs. in Uzbekistan
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	ATAR translated the geographical indications and trademark material into Dari and has submitted it to MOCI.

Kabul	Kabul	KABUL	4/1/2015	4/30/2015	During the seminar, ATAR and MOCI also delivered presentations on the South Asian Free Trade Area (SAFTA) agreement and the South Asian Association for Regional Cooperation (SAARC) Agreement on Trade in Services (SATIS).
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	In April, ATAR assisted MAIL's Animal Health Directorate in conducting three working groups to review procedures in support of the animal health law.
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	In the second half of April, ATAR completed development of a proposal for dialogue between Tajik customs and interested private-sector representatives on the requirements to comply with post clearance audit requests. in Tajikistan
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	In the second half of April, ATAR finalized the Russian translation of the report "Benefits and Challenges of the potential Afghanistan-Pakistan-Tajikistan-India Trade and Transit Agreement" and submitted it to the First Deputy Minister of the Ministry of Economic Development and Trade. in Tajikistan
Kabul	Kabul	KABUL	4/1/2015	4/30/2015	On April. ATAR developed public awareness materials in support of the geographical indications, trademarks, and patent law.
Kabul	Kabul	KABUL	4/5/2015	4/5/2015	On April 5, ATAR assisted EPAA in signing a memorandum of understanding with ARFC and AIB to provide exporters with easy access to credit.
Kabul	Kabul	KABUL	4/6/2015	4/6/2015	In April 6, ATAR assisted MAIL in conducting a working group to finalize the third procedure in a manual of procedures that support the law on plant protection and quarantine
Kabul	Kabul	KABUL	4/9/2015	4/10/2015	ATAR facilitated the organization and logistics connected with the trip of the Afghan delegation to Dushanbe for April 9-10 trilateral consultations with Pakistani and Tajik counterparts regarding PATTTA. in Tajikistan
Kabul	Kabul	KABUL	4/14/2015	4/14/2015	On April 14, ATAR supported MOPH in conducting a working group meeting on the procedure for food hygiene practices for manufacturing, packing, or holding. Participants included staff from MOPH, MOCI, EPPA, the National Environment Protection Agency (NEPA), ANSA, Kabul University, and the private sector.
Kabul	Kabul	KABUL	4/15/2015	4/15/2015	On April 15. ATAR assisted MAIL's Animal Health Directorate in conducting two working groups to review the procedure on sanitary measures for the import and transit of cattle and buffalo.
Kabul	Kabul	KABUL	4/20/2015	4/20/2015	On April 20, ATAR assisted MAIL in conducting working groups regarding the fourth procedure in the manual.
Kabul	Kabul	KABUL	4/21/2015	4/21/2015	On April 21, ATAR assisted EPAA in organizing training on trade finance for 35 exporters. The objective of the training was to educate exporters on different trade finance products offered by various banks in Afghanistan.

Kabul	Kabul	KABUL	4/21/2015	4/21/2015	On April 21, ATAR worked with GIZ to hold a roundtable on the WTO Trade Facilitation Agreement (TFA) for 29 representatives of trading companies, service associations, and donor organizations. in Kyrgyzstan
Kabul	Kabul	KABUL	4/22/2015	4/22/2015	On April 22, ATAR assisted MAIL's Animal Health Directorate in conducting a working group to review the procedure on sanitary measures for the import and transit sheep and goats.
Kabul	Kabul	KABUL	4/25/2015	4/25/2015	On April 25, ATAR delivered training on patents examination and registration to 20 staff members, six females and 14 males, of MOCI's Afghanistan Central Business Registry-Intellectual Property (ACBR-IP) office.
Kabul	Kabul	KABUL	4/26/2015	4/26/2015	On April 26, ATAR conducted a seminar on WTO post-accession for MOCI's WTO Unit and Regional Trade Agreements Departments. Thirty government officials, including five women, from MOCI and other relevant ministries attended the presentation.
Kabul	Kabul	KABUL	4/27/2015	4/27/2015	On April 27, ATAR assisted MAIL in conducting working groups regarding the fourth procedure in the manual.
Kabul	Kabul	KABUL	4/27/2015	4/27/2015	On April 27, ATAR completed 80 hours of trainings on the "Application of Computer Software for Trade Statistics and Analysis" for trade specialists from the Central Statistics Organization (CSO), MOCI, and EPAA.
Kabul	Kabul	KABUL	4/29/2015	4/29/2015	The Ministry of Transport and Civil Aviation (MOTCA) and ATAR held a working group on April 29 to review outdated transport laws, the creation of a new National Transport/Trucking Association, and the feasibility of operating a training institute accredited by the International Road Transport Union (IRU).
Kabul	Kabul	KABUL	5/1/2015	5/15/2015	In Kyrgyzstan, ATAR in May of the formation of a working group to oversee implementation of the WTO Trade Facilitation Agreement (TFA), based on information given by ATAR in two prior presentations.
Kabul	Kabul	KABUL	5/1/2015	5/15/2015	ACD and Da Afghanistan Bank (DAB) continued to progress e-payment to the pilot phase of introducing commercial banks to the payment system.
Kabul	Kabul	KABUL	5/1/2015	5/15/2015	ATAR completed development of the train-the-trainers course that will be delivered in mid-May to staff from the Afghanistan National Customs Academy (ANCA) and the Enforcement Directorate.
Kabul	Kabul	KABUL	5/1/2015	5/15/2015	ATAR prepared a document on patents registry to support the Afghanistan Central Business Registry-Intellectual Property (ACBR-IP) in the development of a registry.
Kabul	Kabul	KABUL	5/1/2015	5/15/2015	ATAR prepared terms of reference (TOR) for supporting ANSA in developing a legal and institutional framework for national metrology. The TOR is pending approval.

Kabul	Kabul	KABUL	5/1/2015	5/15/2015	In Kyrgyzstan, ATAR completed its review of the Kyrgyz government resolution that is a regulation of the implementation of the activities of an authorized economic operator (AEO).
Kabul	Kabul	KABUL	5/1/2015	5/15/2015	In Tajikistan, ATAR developed a proposal to improve an existing regulation and program for the issuance of preliminary decisions (or "binding decisions" or "advance rulings").
Kabul	Kabul	KABUL	5/1/2015	5/15/2015	In Tajikistan, ATAR translated and delivered to the Tajikistan State Customs Services the proposal for dialogue between Tajik customs and interested private-sector representatives on their obligations to comply with post clearance audit requests. Tajik customs will review these materials.
Kabul	Kabul	KABUL	5/1/2015	5/15/2015	In the first half of May, ATAR conducted five days of training for 27 members of MAIL's Plant Protection and Quarantine Department (PPQD) on conducting Pest Risk Assessments (PRAs) that will help support implementation of the plant protection and quarantine law.
Kabul	Kabul	KABUL	5/1/2015	5/31/2015	ATAR provided training to ACD's Tariff Department on data entry into the designed model to obtain and interpret the results.
Kabul	Kabul	KABUL	5/1/2015	10/31/2015	ATAR helped support start-up of the Afghan Pavilion at Expo Milano, which began May 1 and will run to Oct. 31, in Milan, Italy.
Kabul	Kabul	KABUL	5/3/2015	5/3/2015	ATAR delivered awareness seminars on patents to 30 members of the private sector to help support implementation of the patents law. Each awareness seminar covered an introduction to patents, patentable subject matter, non-patentable subject matter, criteria for patentability, exceptions to patent rights, and other topics.
Kabul	Kabul	KABUL	5/4/2015	5/4/2015	On May 4, ATAR delivered awareness seminars on patents to 30 members of the private sector to help support implementation of the patents law. Each awareness seminar covered an introduction to patents, patentable subject matter, non-patentable subject matter, criteria for patentability, exceptions to patent rights, and other topics.
Kabul	Kabul	KABUL	5/5/2015	5/5/2015	On May 5, ATAR supported a working group meeting at MOPH to review the procedure for food hygiene practices for manufacturing, packing or holding. This procedure would support implementation of the food safety law.
Kabul	Kabul	KABUL	5/6/2015	5/6/2015	On May 6, ATAR assisted MAIL's Animal Health Directorate in conducting a working group to review the procedure on sanitary measures for the import and transit of horses, donkeys, and mules. This procedure would support the law on animal health and veterinary public health.

Kabul	Kabul	KABUL	5/9/2015	5/9/2015	On May 9, ATAR conducted seminars on WTO post-accession for MOCI's WTO Unit and other stakeholders. Thirty-one government officials, including seven women, from MOCI and other relevant ministries attended the May 9 presentation.
Kabul	Kabul	KABUL	5/11/2015	5/11/2015	On May 11. ATAR conducted seminar on WTO post- accession for MOCI's WTO Unit and other stakeholders, more than 30 people, including five women, attended the May 11 presentation.
Kabul	Kabul	KABUL	5/11/2015	5/12/2015	On May 11-12, ATAR delivered a "TIR Train the Trainers for Customs - Using the TIR Carnets" for 24 participants from ACD and ANCA.
Kabul	Kabul	KABUL	5/12/2015	5/12/2015	On May 12, ATAR assisted EPAA and MOCI in organizing a seminar called "Promoting Afghan Exports to South Asia: Opportunities and Challenges" for more than 80 traders and government officials.
Kabul	Kabul	KABUL	5/12/2015	5/15/2015	In Uzbekistan, ATAR delivered training for 21 officers of Uzbekistan's Customs Committee from May 12-15. This is the first event of any kind held by USAID directly with Uzbek customs for more than a decade.
Kabul	Kabul	KABUL	5/14/2015	5/14/2015	In Turkmenistan, ATAR completed translation of the assessment of Turkmenistan's legal, regulatory, and institutional framework for conformity with the WTO TFA into Russian language. The report was submitted to USAID Turkmenistan on May 14.
Kabul	Kabul	KABUL	5/15/2015	5/31/2015	On May, ATAR translated and delivered to the Tajikistan State Customs Services the recommendations to improve the institutional settings of the Customs Post Clearance Control and Audit Unit and to effectively link the audit findings to the customs risk management system. in Tajikistan
Kabul	Kabul	KABUL	5/16/2015	5/20/2015	ATAR developed and delivered a train-the-trainers course to 10 staff from ANCA and the ACD Enforcement Directorate.
Kabul	Kabul	KABUL	5/19/2015	5/19/2015	On May 19, ATAR and MOCI's Afghanistan Central Business Registry-Intellectual Property (ACBR-IP) delivered an awareness seminars on trademarks to 32 members of academia in Kabul.
Kabul	Kabul	KABUL	5/19/2015	5/19/2015	On May 19, ATAR supported two working group meetings at MOPH to review the procedure for food hygiene practices for manufacturing, packing or holding. This procedure would support implementation of the food safety law.
Kabul	Kabul	KABUL	5/19/2015	5/20/2015	On May 19-20, ATAR held a Transports Internationaux Routiers (TIR) awareness workshop for transport operators at ACCI
Kabul	Kabul	KABUL	5/20/2015	5/20/2015	On May 20, ATAR and ACBR-IP delivered an awareness seminar on trademarks to seven members of ACD.

Kabul	Kabul	KABUL	5/20/2015	5/20/2015	On May 20, ATAR assisted MAIL's Animal Health Directorate in conducting working groups to review the procedure on sanitary measures for the import and transit of horses, donkeys, and mules. This procedure would support the law on animal health and veterinary public health.
Kabul	Kabul	KABUL	5/25/2015	5/25/2015	ATAR held a presentation on May 25 at ACD to review a One Stop Border Post model developed with ATAR support. ACD gave its consent on proposed model but suggested obtaining approval from the Ministry of Finance before discussing the modality with other stakeholders.
Kabul	Kabul	KABUL	5/25/2015	5/25/2015	On May 25, ATAR conducted a working group to review procedure four of the manual of procedures for plant protection regulation and quarantine. The technical team of PPQD and representatives of the private sector and MOCI reviewed the procedure, and suggestions were recorded for further development of the procedure.
Kabul	Kabul	KABUL	5/26/2015	5/26/2015	On May 26, ATAR and MOCI's Afghanistan Central Business Registry-Intellectual Property (ACBR-IP) delivered an awareness seminars on trademarks to 32 members of academia in Kabul.
Kabul	Kabul	KABUL	5/27/2015	5/27/2015	On May 27, ATAR assisted MAIL's Animal Health Directorate in conducting working groups to review the procedure on sanitary measures for the import and transit of horses, donkeys, and mules. This procedure would support the law on animal health and veterinary public health.
Kabul	Kabul	KABUL	5/28/2015	5/28/2015	On May 28, ATAR provided on-the-job training for staff of ACBR-IP in performing trademark functions, including examination, classification, and registration. ATAR also prepared a document on automated trademark registry, including structure and functions of a database, and submitted the document to ACBR-IP in Dari and English.
Kabul	Kabul	KABUL	5/30/2015	5/30/2015	On May 30, ACD and Da Afghanistan Bank (DAB) launched the pilot phase of the electronic payment of customs duties. The pilot phase will concentrate on the Kabul Inland Clearance Depot (ICD) and Hamid Karzai International Airport (HKIA).
Kabul	Kabul	KABUL	6/1/2015	6/1/2015	: On June 1, ATAR assisted ACBR-IP in understanding and advancing the development of implementing regulations based on model legislation developed under another TOR, and assisted in advancing the development of Rules Governing Registrar of Geographical Indications based on model legislation developed under another TOR.ATAR built capacity at ACBR-IP providing awareness presentation.
Kabul	Kabul	KABUL	6/1/2015	6/1/2015	On June 1 and June 8,ATAR conducted two working group sessions on procedure four of the manual of procedures regarding the Plant Protection and Quarantine regulation. The technical team of PPQD, Kabul University, ACCI and MOCI representatives reviewed the procedure and made suggestions for improvements.
Kabul	Kabul	KABUL	6/1/2015	6/1/2015	On June 1, 2015, ATAR provided on-the-job training in performing trademark related functions including examination, classification, and registration and built capacity of ACBR-IP.

Kabul	Kabul	KABUL	6/2/2015	6/2/2015	On June 2, ATAR supported MOPH in conducting a working group session to review the procedure on food hygiene practices for manufacturing, packing, or holding. Participants in the working group included MOPH, MOCI, and Export Promotion Agency of Afghanistan (EPAA), the National Environment Protection Agency (NEPA), the private sector, and Kabul University.
Kabul	Kabul	KABUL	6/8/2015	6/8/2015	On June 8, ATAR conducted a working group meeting on plant protection regulation procedures
Kabul	Kabul	KABUL	6/10/2015	6/10/2015	On June 10, ATAR conducted a working group to review the procedure VCIE Veterinary Control of Import and Export /201x application for the issuance of an International Veterinary certificate for the export of an animal. Participants reviewed the procedures and made suggestions for improvements.
Kabul	Kabul	KABUL	6/15/2015	6/15/2015	On June 15, ATAR conducted a risk management training
Kabul	Kabul	KABUL	6/16/2015	6/16/2015	On June 16, ATAR conducted a training on ASYCUDA request profile
Kabul	Kabul	KABUL	6/22/2015	6/22/2015	On June 22, ATAR conducted plant protection regulation procedures working group meeting.
Kabul	Kabul	KABUL	6/23/2015	6/23/2015	on June 23, ATAR conducted a food regulation working group

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Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

Quarterly Report

April-June 2014



July 15, 2014

1. PROJECT OVERVIEW

Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global trading market.

ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is headquartered in Kabul and has staff in Mazar-i Sharif, Herat, and Jalalabad to support regional customs activities as well as a presence in Tajikistan, the Kyrgyz Republic, and Turkmenistan to strengthen Afghanistan's ties in Central Asia.

ATAR provides assistance to improve the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through the country's critical transition period. Specifically, ATAR is tasked with:

1. Improving the capacity of the Government of the Islamic Republic of Afghanistan (GIROA) to create and implement a liberal policy framework for trade and investment in accordance with international standards;
2. Enhancing integration in the regional and world economy through the promotion of trade and agreements, enhanced governance of corridors, and private-sector linkages throughout South and Central Asia;
3. Strengthening revenue generation for fiscal sustainability and trade facilitation through reforms and anti-corruption measures in customs and taxation.

These objectives are achieved through three ATAR components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to the World Trade Organization (WTO). This support is accomplished by building the necessary capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime within the region and meet WTO requirements. The policies, laws, and regulations will attract investment and enable the private sector to grow and prosper.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists GIROA to support measures needed to implement regional trade agreements; and (3) supports the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with countries such as Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

Component 3: Improved Customs Administration

Component 3 will enhance GIROA's capacity to generate revenue through implementation of value added tax (VAT), in combination with outreach and enforcement, and improves customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

EXECUTIVE SUMMARY

Component 1: Support Trade Policy Liberalization

Summary of results for the reporting period and key achievements

ATAR worked with various ministries to encourage them to submit WTO-related draft legislation under their authority to the Ministry of Justice (MOJ) for inclusion in its legislative action plan for 1393[1]. At the end of the quarter, MOJ had included 9 of the remaining 14 laws on Afghanistan's legislative action plan for WTO accession on its agenda. MOJ submitted the agenda to the Council of Minsters, which approved the agenda on May 29.

ATAR conducted on-the-job training and held trainings, workshops, and working group meetings at ministries and government entities to build the capacity of GIROA to implement WTO-related laws. ATAR focused on the draft laws on plant protection and quarantine, food safety, animal health and veterinary public health, and copyrights this quarter.

ATAR supported implementation of a memorandum of understanding (MOU) between the Central Statistics Organization (CSO), Afghanistan Customs Department (ACD), and Export Promotion Agency of Afghanistan (EPAA) to reduce discrepancies in trade statistics. ATAR trained CSO staff on the structure of ACD's statistics, identified a 27 percent discrepancy between data from ACD and data from CSO, and helped CSO find solutions to minimize discrepancies in the next reporting period.

With ATAR support, the Afghan National Standards Authority (ANSA) laid the foundation for the establishment of a certification unit that will ensure products meets specific standards. ATAR trained ANSA in certification and worked with ANSA to develop sector-specific standards committees as well as an action plan, organizational structure, operational manual, fee structure, and conformity assessment marks for the certification unit.

Constraints and critical issues

Throughout much of the quarter, ATAR's relationship with Ministry of Commerce and Industries (MOCI) was strained; ATAR activities were halted at the ministry and in support of the ministry until a resolution was reached. Due to the challenges with MOCI, ATAR also faced difficulties in working with other ministries on WTO-related activities. Toward the end of the quarter, MOCI and ATAR reached an agreement on several issues, including improved communication for better coordination and responsiveness.

Component 1, as well as the other two ATAR components, faced repeated and long delays due to security restrictions and the presidential election, both of which limited travel of ATAR staff at times.

Component 2: Facilitate Enhanced Access to Regional Markets

On April 21, the Council of Ministers approved the Cross-Border Transport Agreement-Corridor 5 (CBTA-5) between Afghanistan, the Kyrgyz Republic, and Tajikistan. Leading up to the approval, ATAR worked closely with GIROA and provided materials on CBTA-5's benefits to

[1]The Afghan year 1393 corresponds to March 21, 2014, through March 20, 2015, in the Gregorian calendar.

secure necessary ministerial level approvals and Council of Ministers' approval. Due in part to ATAR's efforts, MOFA submitted the accession protocol to the Kyrgyz Republic on May 5. The CBTA aims to facilitate movement of goods, vehicles, and people along Corridor 5 of the CAREC program, which promotes cooperation and development in Central Asia.

On June 16-18, ATAR conducted a workshop in Bishkek, Kyrgyz Republic, with the WTO Secretariat to present the project's draft assessment on the Kyrgyz Republic's conformity with the WTO's Trade Facilitation Agreement (TFA). Forty-four participants from the public and private sector reviewed the TFA and discussed the state of compliance of the legislative framework and practices in Kyrgyz Republic. The assessment is being finalized with input and feedback from workshop participants.

On June 23-24, ATAR led a forum in Dushanbe, Tajikistan, for business representatives from Afghanistan, Kazakhstan, the Kyrgyz Republic, Pakistan, and Tajikistan. More than 100 traders, company officials, and entrepreneurs – including 15 Afghan men and women – participated. The event enabled South and Central Asian businesspeople to develop relationships, discuss deals, identify trade opportunities and constraints, and visit local companies. Twenty potential deals are under negotiation. Participants also discussed a platform for cooperation among chambers in the region to share trade information and help resolve trade and transit problems. The MOCI Commercial Attaché was instrumental in bringing 10 Afghan traders based in Tajikistan to the event.

ATAR completed a pilot of the Comprehensive Integrated Tariff System (CITS) for the Kyrgyz Republic and presented the system to an inter-agency working group on export promotion and staff of the Kyrgyz Single Window enterprise. With CITS, an Afghan trader can access information on regulatory requirements for products imported into or exported from the Kyrgyz Republic. ATAR began verifying CITS data with Kyrgyz agencies and will assist Kyrgyz customs in loading CITS to its website for public access and developing a process to maintain CITS.

Constraints and critical issues

Afghan participants in the Dushanbe event faced difficulty in receiving a visa in a timely manner. The delay almost led to postponement of the event and highlighted the importance of ease of travel between South and Central Asian countries to increase trade and investment.

The conflict between the Kyrgyz Republic and Tajikistan regarding the Karamyk border crossing point impeded ATAR's work on customs cooperation. In addition, the Turkmen and Uzbek governments have not yet totally cleared ATAR to proceed with operations in those countries.

Component 3: Improved Customs Administration

Summary of results for the reporting period and key achievements

ATAR completed a physical review of ACD's implementation of risk management in the regions. ATAR will continue to work with ACD to improve the system so it aligns with ACD's national risk management policy, which is compliant with international standards and regulations. ATAR also delivered risk management training to staff within the risk management unit and central intelligence unit.

ATAR monitored the operation of streamlined import procedures. This included collection and analysis of regional data (through activities such as time release studies), which identified newly added steps that potentially slowed trade or increased opportunities for corruption.

In April, ATAR embedded its national training specialist with the Afghanistan National Customs Academy (ANCA) to collect information on training needs in the regions and develop a training database. By the end of the quarter, ANCA and ATAR had received all of the data from Mazar-i Sharif, 95 percent of the data from Jalalabad, and 80 percent from Herat.

In order to increase ACD's accountability and ensure sustainability, ATAR decided to formalize how it would deliver technical assistance for future activities. This involves the drafting of activity-specific sustainability plans that detail ACD and ATAR objectives, roles, responsibilities, and milestones to ensure ACD is aware of expectations and timelines for the success and sustainability of reform efforts. During the quarter, ATAR developed and drafted this type of plan for training and mentoring for the ACD enforcement directorate.

Constraints and critical issues

ATAR's review of risk management cannot be finalized until the project receives Automated System for Customs Data (ASYCUDA) data from ACD. ATAR has requested the data since February, with the Chief of Party sending a formal email to ACD's Director General in June.

While ATAR advised the Director General to reissue the streamlined customs blueprint to the regions, the blueprint has not yet been distributed. As a result, the regions have resisted ATAR's advice to remove redundant procedures in clearing imports.

ATAR revised its work plan earlier in the year to refocus project resources to directly support VAT implementation at ACD; ATAR has requested USAID's approval on the revision.

While ATAR pushed for E-Pay implementation, a new World Bank project at Da Afghanistan Bank (DAB) may delay E-pay up to 18 months. DAB may be convinced to move ahead with an interim solution if ACD commits to moving ahead expeditiously. ATAR is awaiting feedback as USAID works with the Deputy Minister of Finance to obtain this commitment.

ACD's customs reform manager left his post in April. ATAR's national deputy customs reform manager and an expatriate short-term consultant have been providing guidance until the arrival of the new manager in July.

2. ACTIVITY IMPLEMENTATION

2.1 Indicator/Activity Performance:

ATAR surpassed annual targets for seven of its indicators during the quarter, specifically in the areas of WTO-related institutional reforms and draft legislation as well as in consultation and support to the private sector. The highlights include:

Indicator number 11 - The project beat its annual target for WTO-related institutional reforms, initiating six reforms during the quarter. ATAR supported the establishment of five committees led by ANSA that are charged with developing national sector-specific standards that meet international principles. ATAR also developed CITS for the Kyrgyz Republic, increasing transparency called for by WTO by creating a tool that will allow traders to access information on regulatory requirements for products imported into or exported from the Kyrgyz Republic.

Indicator number 12 - ATAR beat its annual target of draft legislative items prepared at the ministerial level by working closely with the Ministry of Public Health (MOPH) during the quarter to draft six regulations related to implementation of the food safety law.

Indicator number 13 - The project surpassed its annual target of 12 public events to discuss trade and business policy matters with stakeholders, the public, and the private sector by holding 23 such events during the quarter and 37 since the project start in November 2013.

Indicator number 14 - ATAR beat its annual target of consultative processes with the private sector by holding four events during the quarter, including a consultative group with representatives of chambers from Afghanistan, the Kyrgyz Republic, Pakistan, and Tajikistan at its Dushanbe business-to-business event, a consultative meeting with the Kabul Chamber of Commerce and Industries (KCCI) regarding customs valuation, a working group for food safety regulations, and consultations regarding changes to fees for the import of pharmaceuticals and medical equipment. The project total is seven consultative processes.

Indicator number 19 - ATAR met its annual target of three launched or signed initiatives on regional integration, including working with GIROA to launch a transit and transport agreement with Azerbaijan, enabling the signing of a mutual assistance agreement on customs between customs in Afghanistan and Tajikistan, and supporting approval of CBTA-5 by the Council of Ministers.

Indicator number 20 - The project passed its annual target of number of firms receiving capacity building with export promotion courses in Afghanistan, the Kyrgyz Republic, and Tajikistan and the participation of more than 100 companies from Central and South Asia in the Dushanbe business-to-business event.

Indicator number 35 - The project beat its annual target of training events held to improve the trade and investment environment by providing 22 such trainings during the quarter and 42 such trainings since the project start in November 2013.

Indicator number 36 - ATAR beat its annual target of 1,500 person hours of training in trade and investment capacity building, by providing 4,654 persons hours of training during the quarter and 5,721 since the project start.

Gender - ATAR promotes the involvement of Afghan women from the public and private sector in its activities whenever possible. For example, 20 percent of the participants in ATAR training events this quarter were women. Three of the fifteen participants in the Dushanbe business-to-business event were Afghan businesswomen.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade											
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO)	$9.2 billion in 1392 excluding transit (CSO)	$9.2 billion in 1392 excluding transit (CSO)	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). **Note:** Total volume of trade in 1392 was $9.2 billion based on CSO data, which included import ($8.7 billion) and export ($515 million).
2	Value of gross domestic product (GDP)	Outcome/ Impact USAID requested indicator	By sector	CSO, World Bank	Annual	$21 billion in 1391(CSO)	$21.2 billion in 1392 (CSO)	$21.2 billion in 1392 (CSO)	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. **Note**: Based on a CSO report, the total value of Afghanistan's GDP in 1392 was $21.2 billion.
3	Ratio of foreign trade in GDP	Outcome/ Impact USAID requested indicator	By sector, import and export	CSO, World Bank	Annual	Import 39%, Export 6% in 2012 (World Bank)	Import 47% Export 6% 2013 (World Bank)	Import 47% Export 6% 2013 (World Bank report)	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported next quarter	Will be reported next quarter	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries.
5	Value of exports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$515 million in 1392 (CSO)	$515 million in 1392 (CSO)	Tracking only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** Based on CSO data, the total value of exports in 1392 is $515 million. **Disaggregation by Country:** Pakistan = $198 million India = $102 million Iran = $42 million Turkey = $35 million UAE = $26 million Iraq = $23 million China= $20 million Turkmenistan = $14 million Netherlands= $12 million Germany= $9 million Others = $34 million

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
6	Value of imports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$8.7 billion in 1392 (CSO)	$8.7 billion in 1392 (CSO)	Tracking only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on CSO data, the total value of Afghan imports in 1392 was $8.7 billion. **Disaggregation by Country:** Pakistan = $1.7 billion Iran = $1.5 billion UAE = $1.2 billion Turkmenistan = $640 million Uzbekistan = $582 million Russia = $520 million China = $437 million Kazakhstan = $324 million India = $147 million Malaysia = $122 million Japan = $84 million Others = $1.3 billion
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184	184	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164	164	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened											

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
9	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/ Impact USAID requested indicator	None	GIROA	Annual	27%	27% (ACD and CSO report 1392	27% (ACD and CSO report 1392	20%	10%	It is crucial to have reliable trade data for policy and planning. ATAR will support ACD and CSO to harmonize trade related data between the two organizations. **Note:** Based on trade statistics from ACD and CSO for 1392, the overall discrepancy was 25% (import 27% and export 23%).
PIR1.1: WTO accession process finalized											

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	8	1	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement. The eight legal acts in the project results are: 1. Plant protection and plant quarantine submitted to the Council of Ministers by MOJ 2. Law on animal health and veterinary public health submitted to MOJ by MAIL 3. Law on geographical indications submitted to Council of Ministers by MOJ 4. The law on trademarks approved by Council of Ministers and submitted to Parliament 5. Amendments to the 2005 customs law submitted to Council of Ministers by MOJ 6. Amendments to the patents law submitted to Councils of Minister by MOJ 7. The procedure on intellectual property border enforcement submitted to the Minister of Finance for signing 8. The procedure on intellectual property border enforcement adopted and came into force on April 12, 2014

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/Impact USAID requested indicator	Ministry partner	Project records	Quarterly	0	7	6	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR in Afghanistan. The reforms reflected in the project's results to date are: 1. Institutional proposal accepted by MOCI for establishing a Safeguard Unit 2. CITS developed for Kyrgyzstan 3. Five International Standard Organization (ISO) mirror committees established (1. food; 2. textile and leather; 3. metrology 4: construction, and 5. petroleum products and lubricants)

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	6	6	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level (including by working group) with ATAR support. This mainly refers to the first draft finalized at the Ministerial level. The draft legislative items in the results to date are six regulations related to implementation of the food safety law: 1. Operation of the Food Import Control System; 2. Exchange of Information in Food Safety Emergency Situations; 3. Exchange of Information between the GIROA and Exporting Countries Regarding the Rejections of Imported Food; 4. Determining Equivalence of Sanitary Measures; 5. Obtaining a Food Businesses Identification Number; 6. Protection of Privacy
PIR 1.2: WTO implementation process developed and executed											
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	37 (Participants: 337 male and 75 female)	23 (Participants: 190 male and 27 female)	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, round table discussions and other trade gathering.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarterly	0	7	4	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator. The results to date include: 1. Consultative meeting with fruits and vegetable businesses at CABOC 2. Consultative meeting with handicraft, carpet, gemstones and marble businesses at CABOC 3. Consultative meeting with women businesses at CABOC 4. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 5. Consultative meeting with KCCI regarding customs valuation practices 6. Working group for development of implementing regulations for food safety law 7. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased											
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	2	1	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses Awareness seminars to date include: 1. WTO awareness seminar for MOJ 2. Awareness about regional opportunities (Dushanbe business-to-business event)
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator / Output USAID requested indicator	Province	Project records	Quarterly	0	2	0	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased											
18	Change in public perception toward trade	Outcome/Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey	TBD from perception survey	TBD from perception survey	10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted in Year 1 of the project to collect baseline information and annually thereafter targeting the same group
PIR 2: Regional and global integration enhanced											

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records and MOCI	Quarterly	0	3	2	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support. 1. Transit and Transport Agreement with Azerbaijan launched 2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/gender	Project Record and EPAA	Monthly	0	244 firms = 27 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, 107 businesses from Dushanbe business-to-business event	224 firms= 7 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, 107 businesses from the Dushanbe event	80 firms	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	3	3	6	24	This indicator will capture the number of interactions and dialogues between the businesses and government organizations in the region on policy reform issues. 1. Two trade facilitation workshops in Kyrgyzstan in April and June 2014 2. Session during Dushanbe business-to-business event related to policy reform involving businesses and government representatives
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays.
24	Cost to travel 500 KM per 20 ton ($)	Outcome/Impact USAID requested indicator	Corridor 5 Corridor 6	CAREC Corridor Performance Management and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6 (2012)	The project will report this indicator once the CPMM report for 2013 is published by ADB.	The project will report this indicator once the CPMM report for 2013 is published by ADB.	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included. **Note:** Based on the CAREC Program Development Effectiveness Review Report 2012, the cost to travel 500 km per 20 ton is: Corridor 5 = $1,580 Corridor 6 = $719
25	Percentage share of trade with regional partners	Outcome/Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator will capture the share Afghanistan trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
26	Average cost of crossing borders ($)	Outcome/Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$157 (2012)	The project will report this indicator once the CPMM report for 2013 is published by ADB.	The project will report this indicator once the CPMM report for 2013 is published by ADB.	Tracking only	Tracking only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. **Note:** Based on the CAREC Program Development Effectiveness Review Report 2012, the average cost of crossing border is $157.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation											
27	Growth in customs revenue (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million in 1392	$875 million in 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** Based on a Ministry of Finance report, the customs revenue in 1392 is Afs 49.4 billion = $875 million
28	Number of permanent professional positions allocated for women within ACD	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	77	0	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
29	Number of female interns completing a six-month internship in ACD	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	0	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue , performance of core functions, and facilitation of trade improved											

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
30	Average Customs processing time (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3 hours 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported in next quarter	Will be reported in next quarter	TBD based on number of steps removed	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.
31	Number of documents/procedures required to import and export	Outcome/Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10 import 10 export (World Bank Doing Business report 2014)	10 import/ 10 export (World Bank Doing Business report 2014)	10 import/ 10 export (World Bank Doing Business report 2014)	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
32	Time to export and import	Outcome/Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days import, 81 days export (World Bank Doing Business report 2014)	85 days import, 81 days export (World Bank Doing Business report 2014)	85 days import, 81 days export (World Bank Doing Business report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013-June 2014)	Project achieve-ments for quarter (April- for June 2014)	Year 1 Target	Life-of-Project Target	Notes
33	Number of customs systems in line with international best practices adopted	Outcome/Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline.
34	Number of risk management procedures adopted at customs depots	Outcome/Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management.
Cross – Component Indicators											
35	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	42 trainings 658 participants including 524 male and 134 female[2] 817 persons days of training	22 trainings 411 participants including 332 male and 79 female[3] 665 persons days of training	30 trainings/ 300 participants	120 trainings/ 1,200 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training.
36	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	5,721 (male 4,443 and female 1,278)[4]	4,654 (male 3,557 and female 1,097[5]	1,500	6,000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40.

[2] The participant number will increase upon the receipt of the participant list for nine of the training events.
[3] The participant number will increase upon the receipt of the participant list for nine of the training events.
[4] The person hours of training will increase upon the receipt of the participant list for nine of the training events.
[5] The person hours of training will increase upon the receipt of the participant list for nine of the training events.

2.2 Key Activities Accomplished during the Quarter:

(See Annex A for a USAID's AfghanInfo report for supplemental information on ATAR activities.)

Component 1: Support Trade Policy Liberalization

- Worked with ministries to ensure they requested MOJ to include WTO-related draft laws within their authority in MOJ's 1393 legislative action plan.
- Worked at MOJ on a consistent basis to provide rapid turnaround to MOJ queries and comments on draft legislation. (See Annex B for status of Afghanistan's legislative action plan for WTO accession.)
- Held seminars and roundtables at MOPH to support the food regulations working group in developing draft procedures in support of the food safety law.
- Worked with the Ministry of Agriculture, Irrigation and Livestock's (MAIL) plant protection and quarantine department to explain the plant protection and quarantine regulation and obtain participants' input on procedures drafted to support the regulation.
- Worked with MAIL's animal health department to discuss draft regulations and procedures in support of the law on animal health and veterinary public health.
- Assisted MAIL's veterinary department in drafting the veterinary medicinal products act to ensure WTO consistency and held two working group meetings in support of the act.
- Completed a training-for-trainers course on the WTO customs valuation agreement on April 14-16, delivering the full program of 24 lessons.
- Conducted an intellectual property legal training on April 13-14 for prosecutors, defense attorneys, and members of the Ministry of Information and Culture's (MOIC) copyright office, including female attorneys.
- Conducted a copyright training on April 15 for participants from the April 13-14 training as well as judges and other participants of an ATAR intellectual property legal training held in June 2013.
- Conducted a training on June 25 at MOIC to raise awareness of copyrights for about 45 authors, professors, intellectuals, and government officials in Kabul.
- Held a workshop on April 27 to train ANSA on conformity assessment and certification and assisted ANSA in creating an organizational structure, guidelines, operation manual, fee structures, and conformity assessment marks for a certification unit that ANSA will establish.
- Supported the establishment of five committees led by ANSA that will develop national sector-specific standards based on internationally accepted principles.
- Prepared recommendations for establishing a standards training institute within ANSA to deliver training on standards to ministries/state bodies and the private sector.
- Trained CSO staff on the structure of ACD trade statistics and identified discrepancies between data from CSO and ACD as well as possible solutions to reduce discrepancies.
- Assisted the ACD valuation department on the integration of valuation data into the ASYCUDA World database.
- Supported ACD in installing an updated version of the Tariff and Valuation Management Tool (TARVAL) and gave on-the-job training to ACD on TARVAL functionalities.
- Supported ACD in adding a new mechanism in TARVAL that will allow ACD to respond to requests regarding differences in the database from one period to another.
- Supported ACD in an analysis of the draft Afghan Customs Tariff 2014 compared to the Harmonized System 2012 Edition, an international document used as the basis for countries' tariffs.

- Assisted KCCI in conducting a workshop on May 7 on problems and solutions regarding customs valuation practices for KCCI, ACD's valuation department, and ten traders.
- Assisted ACD's tariff department on an annual revision of Afghanistan's tariff schedule and application of tariff rates for South Asian Free Trade Area agreement signatories.
- Conducted copyright awareness training on June 24 in partnership with MOIC for 45 participants, including professors, academics, and government officials, to support the implementation of intellectual property legislation.
- Conducted a workshop on WTO TFA at MOCI on June 24-25 for more than 50 government officials, brokers, and trade representatives.

Component 2: Facilitate Enhanced Access to Regional Markets

- Supported Afghanistan's participation in the Central Asian Business Opportunities Conference (CABOC) on April 14-16 by holding roundtables prior to the event and supporting logistical, security, and technical preparations.
- Supported EPAA in developing a cost-competitiveness analysis for six Afghan products, including fresh and dried fruit and spices, for select countries in Central Asia.
- Held meetings in Kabul with transporters and traders on problems faced by Afghan fruit traders on both sides of Wagah, the border crossing between Pakistan and India, and began work to address the issues with counterparts and other stakeholders.
- Worked with the Ministry of Transport and Civil Aviation and the Ministry of Foreign Affairs to promote approval of CBTA-5 between Afghanistan, Tajikistan, and the Kyrgyz Republic. Due in part to ATAR's efforts, the Council of Ministers approved the CBTA-5 on April 21.
- Held meetings with transport operators and the Afghanistan Association of Freight Forwarding Companies (AAFFCO) in Kabul as well as stakeholders in the Kyrgyz Republic and Tajikistan on efforts to implement the Transports Internationaux Routiers (TIR) Convention.
- Presented the customs-to-customs electronic data interchange system on April 1-2 for the Kyrgyz Republic's customs department to allow transmission of trade and transit information between in Afghanistan, the Kyrgyz Republic, and Tajikistan.
- Conducted a presentation on April 7-8 on the provisions of the WTO TFA for representatives of the Kyrgyz Republic's Ministry of Economy, State Customs Service, Chamber of Commerce and Industries, customs brokers, and transport operators.
- Conducted a three-day course on export development on May 26-28 for 18 producers, suppliers, and trade association representatives in the Kyrgyz Republic.
- Conducted a seminar in cooperation with the Kyrgyz Chamber of Commerce and Industries on May 30 regarding import and export opportunities between the Kyrgyz Republic, Pakistan, and Afghanistan for about 27 trade and company representatives.
- Developed and piloted CITS, which will allow greater access to information regarding import and export trade and transit regulations, in the Kyrgyz Republic.
- Developed a concept paper at the request of Kyrgyz customs on the introduction of an electronic system for managing law enforcement in customs.
- Completed an initial assessment on the Kyrgyz Republic and the WTO TFA and held a joint event with the WTO Secretariat to formerly present the assessment to the Kyrgyz government on June 16-18.
- In partnership with Tajikistan's veterinary services agency, improved the draft "Agreement on Cooperation and Mutual Assistance in Veterinary Affairs" between Tajikistan and Afghanistan to protect against diseases of animals and animal products.

- In partnership with the UNDP Aid for Trade project and the Sugd Regional Chamber of Commerce and Industry in Tajikistan, delivered a three-day export development course on May 21-23 to develop the capacity of 28 exporters.
- Began supporting the Tajik government in understanding and preparing for implementation of the WTO TFA and began conducting interviews with the State Customs Service and private-sector representatives to collect information on the current situation.
- Led a business-to-business forum in Dushanbe, Tajikistan, on June 23-24 for more than 100 business representatives from Afghanistan, Kazakhstan, the Kyrgyz Republic, Pakistan, and Tajikistan.
- Collated Tajik government trade documents to evaluate of conformity with the United Nations Layout Key for Trade Documents and to itemize and confirm all fees related to cross-border commercial trade.
- Began developing a regional matrix covering Afghanistan, the five Central Asian countries (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan), India, and Pakistan to highlight export opportunities in one country of potential interest to traders in the other countries.

Component 3: Improved Customs Administration

- Embedded a national training development specialist at ANCA to support customs training.
- Conducted a training needs analysis for the regions and by the end of the quarter received all of the data from Mazar-i Sharif, 95 percent of the data from Jalalabad, and 80 percent from Herat.
- Completed a review of basic training materials for customs officers and began developing an ANCA business and training plan.
- Began development of a database that will house training information for customs officials in Kabul, Mazar-i Sharif, Herat, and Jalalabad.
- Worked with ACD's legal department to ensure consideration of Revised Kyoto Convention standards in documents such as import procedures, guidelines for exemption from customs duties, and procedures for transit of goods.
- Worked with ACD in the regions to bring risk management up to international standards and customs procedures in line with the approved streamlined customs blueprint.
- As a result of ATAR's efforts, five major Inland Clearance Deports (ICDs), specifically Hairatain, Herat, Jalalabad, Kabul International Airport, and Kabul, now regularly complete monthly management reports that serve as a monthly activity report to ACD headquarters.
- Continued to assist ACD in the completion of time release studies that show the time it takes for consignments to clear customs.
- Delivered training on June 8-11 for ACD staff within the risk management unit and central intelligence unit.
- Drafted a training and mentoring plan, including training curriculum and ACD and ATAR roles and responsibilities, for the ACD enforcement directorate.

2.3 PLANNED FOR NEXT REPORTING PERIOD:

Component 1: Support Trade Policy Liberalization

- Provide support, as requested, for Afghanistan's participation in Afghanistan's fifth Working Party meeting.

- Continue support to advance WTO-related draft legislation particularly regarding customs, copyrights, patents, food safety, veterinary health, standards, fees for the import of medicines, intellectual property border enforcement, customs storage fees, and plant variety.
- Continue building capacity to support the development of implementing procedures and regulations for WTO related laws.
- Continue to assist ANSA in developing conformity assessment documentation, establishing a certification unit at ANSA, and establishing a standards training center.
- Supporting the implementation of the MOU between CSO, ACD, and EPAA on reducing data discrepancies
- Continue capacity building of WTO Trade Policy Unit
- Launch the process of assisting MOCI to transform the WTO unit from pre- to post-accession activities.

Component 2: Facilitate Enhanced Access to Regional Markets

- Continue support related to negotiations, ratification, and implementation of regional initiatives including CBTA, Afghanistan Pakistan Transit-Trade Agreement, and new initiatives with Turkmenistan, Azerbaijan, and Uzbekistan.
- Continue to promote the MOU on border cooperation between Afghanistan and Tajikistan which is a precondition for any customs-to-customs cooperation (including electronic date interchange and border cooperation) between both countries.
- Work in Tajikistan, the Kyrgyz Republic, and Afghanistan on facilitating an MOU between the chambers of commerce and industries of the three countries and on establishing a platform for cooperation.
- Continue work with the Kyrgyz Republic on installing the electronic data interchange system in a test environment and uploading CITS for public access.
- Finalize the WTO TFA assessment in Afghanistan, the Kyrgyz Republic and Tajikistan and launch WTO TFA assessment for Turkmenistan.
- Continue working on a study on identifying goods of interest to regional traders covering Central Asia, Afghanistan, and South Asia.
- Continue support on a post-clearance audit and risk assessment to the State Customs Service in Tajikistan and Kyrgyz Republic.
- Build TIR-related capacity in Afghanistan.

Component 3: Improved Customs Administration

- Await formal approval and/or feedback on the VAT work plan that directly supports ACD.
- Commence support to ACD in reviewing requirements for accession to the Revised Kyoto Convention.
- Continue to work with ACD, DAB, and USAID in efforts to begin implementation of E-Pay.
- Upon receipt of the necessary ASYCUDA data, finalize the national review of risk management implementation in the ACD.
- Undertake a review of the Border Management Model at Aquina, Sherkhan Bandar Hairatan, Islam Qala, Kabul International Airport, and Torkham as well as Zaranj and Spin Boldak, if security allows.
- Draft a sustainability plan for the continued implementation and improvement of risk management as well as other activities, including streamlined procedures, gender reforms, anti-corruption measures, and ANCA.

- Finalize ACD's enforcement training plan and commence development and delivery of all identified training courses at ANCA.
- Work with the ACD to finalize ANCA's business plan.
- Continue regional work with ACD to improve streamlined customs procedures including working with the Director General to instruct the regions to adhere to the national streamlined procedure blueprint.
- Assist ACD in the procurement and installation of automated number plate recognition cameras at Torkham Gate in Nangarhar and support ACD in the development of relevant MOUs with GIROA counterparts.
- Finalize the procurement of identification wallets for enforcement staff and work with ACD to start relevant outreach campaigns.
- Continue to assist ACD in the completion of time release studies at all regional ICDs.
- Assist ACD in undertaking a gender assessment, identifying issues facing females, and supporting ACD with gender awareness training.
- Assist ACD in the completion of an integrity self-assessment in line with Word Customs Organization guidelines.
- Support ACD efforts to combat anti-corruption through the introduction of management control records at the headquarters and ICDs.
- Assist the enforcement directorate by undertaking a review of current controls and deployment practices of mobile verification teams.
- Meet with the Director General to discuss creation of a professional standards unit for investigating allegations of officer corruption as well as the creation of an internal audit department to review existing procedures within ACD.

2.4 Lessons learned:

Evaluations, Assessments, or Audits:

Completed and/ or planned	Major findings/ recommendations	Actions taken/planned to be taken
Checchi assessment of ATAR's hiring manual and procedures	The assessment's findings resulted in ATAR revising existing policies to better institutionalize best practices in recruitment and to better document the recruitment process.	The assessment's findings resulted in ATAR revising existing policies to better institutionalize best practices in recruitment and to better document the recruitment process.

At the request of USAID, Checchi International conducted an assessment during the quarter on the project's "Hiring Manual and Procedures - Afghanistan Trade and Revenue (ATAR) project". The assessment team examined the hiring processes of a total of 22 ATAR staff, 19 technical staff who work closely with GIROA counterparts, and three ATAR operations staff. In addition to closely reviewing the recruitment files for the mentioned positions, the assessment team looked at Chemonics and ATAR policy manuals and held interviews with current and former staff to determine whether or not the project had followed its internal policies and best practices.

The assessment's findings resulted in ATAR revising existing policies to better institutionalize best practices in recruitment and to better document the recruitment process. In addition, the assessment led to ATAR's adoption of new practices to improve communications and coordination with key counterparts, and to more actively include them in the assessment of staffing needs and the formulation of position terms of reference.

3 COLLABORATION WITH GIROA, OTHER DONOR PROJECTS, OR OTHER USIAD PROJECTS

3.1 Links with relevant GIRoA ministries:

ATAR's success is dependent on its close relationship with GIROA, specifically ACD and ministries relevant to Afghanistan's WTO accession. As a result, ATAR worked closely with MAIL, MOJ, MOPH, and MOIC during the quarter, conducting meetings, trainings, and working groups to ensure that government officials were part of decision-making process and had a thorough understanding of WTO activities such as draft laws, regulations, and procedures. In addition, ATAR had staff embedded at ACD to work with customs staff on a daily basis.

The strained relationship with MOCI prevented ATAR from supporting the ministry in its WTO activities during the quarter and made work at other ministries challenging at times. By the end of the quarter, ATAR had resumed a normal working relationship at MOCI.

Although ATAR enjoyed a more productive working relationship with ACD, the uncertainty surrounding the Afghanistan elections resulted in few policy decisions by senior management. Furthermore, the senior management team was overseas for much of the reporting period.

3.2 Links with other donor agencies:

ATAR held coordination meetings in Central Asia with donor agencies including the United Nations Development Programme (UNDP), the European Union, and the GIZ Trade Facilitation project.

ATAR delivered a three-day export development course in Tajikistan on May 26-28 in partnership with the UNDP Aid for Trade project and the Sugd Regional Chamber of Commerce and Industry.

ATAR partnered with the Tajikistan Chamber of Commerce and Industries, KCCI, the Kyrgyzstan Chamber of Commerce, and the Pakistan Afghanistan Joint Chamber of Commerce and Industries to organize the Dushanbe event on June 23-24. The event was co-funded by the UNDP Aid for Trade project and sponsored by the Tajikistan Ministry of Economic Development and Trade.

Where possible, ATAR continues to coordinate with other implementing partners at ACD, including UNOPS, UNCTAD and the World Bank. However, these partner agencies often do not respond to ATAR's requests for information sharing.

3.3 List and discuss links with other USAID projects:

ATAR worked with USAID's Commercial Horticulture and Agriculture Marketing Project (CHAMP) to determine challenges facings fruit traders at Wagah during the quarter.

ATAR also supported Afghanistan's participation in CABOC, which was organized by USAID's Pakistan Trade Project (PTP) to enable Central and South Asian businesses to exchange information, establish relationships, and meet government officials.

ATAR will be co-locating with USAID's Regional Economic Cooperation (REC) project at the Chemonics' office in Tashkent, Uzbekistan. An action plan for joint activities has been developed and agreed with USAID.

ATAR provided support to USAID's Macro Economic Project (MEP) in organizing the Astana Trade Policy Conference: Expanding Central and South Asia's Regional Trade on July 1-2. Four speakers from ATAR will participate. ATAR is also coordinating activities with USAID's REFORMA project in Kyrgyzstan.

5. MANAGEMENT AND ADMINISTRATIVE ISSUES

3.4 Personnel: ATAR's Chief of Party Sarah Meyer left post on April 27, 2014, and was replaced by Francois Pepin on April 17, 2014. Peter Bennet, ATAR's Customs Reform Manager, left post on April 18, 2014, and will be replaced by Chris Lawson who will arrive in-country on/about July 21, 2014.

3.5 Adaption of the activity: No major changes to the project's statement of work were made during the reporting period.

3.6 Modifications and Amendments: No modifications or amendments to the ATAR contract were made during the reporting period.

ANNEX A: AFGHAN INFO ACTIVITY REPORT

AFGHAN INFO ACTIVITY REPORT							
Project Component	Activity Description	Target of Activity	Expected Outcome of Activity	Date of Activity	Location of Information		
					Province	District	Village
C1: Trade Liberalization	Seminar on exchange of information between countries on notification of rejection of food imports	Form the basis for a ministerial procedure being developed by the Food Regulations Working Group	To complete work on draft documents of exchange of information between exporting countries regarding the rejection of imported food	9-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Food regulation working group	Draft procedure on the operation of the food import control system	To complete the draft procedure on the operation of the food import control system	9-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Food regulation working group	Draft procedure on the operation of the food import control system	To complete the draft procedure on the operation of the food import control system	13-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Intellectual property legal training	Prosecutors, defense attorneys and members of MOIC	Implementation of law on copyright and intellectual property rights	13-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	MOPH food regulations working group	Review of document on exchange of information	To improve document on exchange of information	20-Apr-14	Kabul	Kabul	Kabul

C1: Trade Liberalization	Veterinary control of import and export regulation working group	Overview of regulation the discussion on the articles of first chapter	To improve the article of first chapter	20-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Plant protection and quarantine regulation roundtable	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	21-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Plant protection and quarantine regulation roundtable	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	22-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	MOPH food regulations working group	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	27-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Plant protection and quarantine regulation working group	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	27-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Plant protection and quarantine regulation working group	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	29-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Training workshop on conformation assessment and certification	Train ANSA staff	To build capacity of ANSA to deliver training on standards and their application to private sector and other ministries	27-Apr-14	Kabul	Kabul	Kabul

C1: Trade Liberalization	Training of trainees on customs valuation	Train trainers on WTO Customs Valuation Agreement	Prepared for implementation of customs law	14-Apr-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Plant protection and quarantine regulation working group	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	4-May-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Plant protection and quarantine regulation working group	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	6-May-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Food regulation working group	Draft procedure on the operation of the food import control system	To complete the draft procedure on the operation of the food import control system	7-May-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Copyright awareness training	Prosecutors, defense attorneys and members of MOIC	Implementation of law on copyright and intellectual property rights	7-May-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Veterinary control of import and export regulation working group	Overview of regulation the discussion on the articles of first chapter	To improve the article of first chapter	10-May-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Veterinary control of import and export regulation working group	Overview of regulation the discussion on the articles of first chapter	To improve the article of first chapter	18-May-14	Kabul	Kabul	Kabul

C1: Trade Liberalization	Training workshop on conformation assessment and certification	Train ANSA staff	ANSA deliver training on standards and their application to private sector and other ministries	5-May-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Custom Valuation Workshop	To collect traders feedback regarding customs valuation in Afghanistan, Pakistan and CAR	To improve customs valuation	7-May-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	MOPH food regulations working group	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	21-May-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Roundtable meeting on food law	MOPH staff	Discussion of comments on food law	26-May-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	MOPH food regulations working group	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	28-May-14	Kabul	Kabul	Kabul
C2: Regional Markets	Trade relations with Afghanistan - potential opportunities seminar in Dushanbe, Tajikistan	Tajik exporters	To develop exports	21-May-14	Dushanbe	Dushanbe	Dushanbe
C1: Trade Liberalization	MOPH food regulations working group	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	4-Jun-14	Kabul	Kabul	Kabul

C1: Trade Liberalization	Seminar on principles and guidelines for exchange of Information in food safety emergency situation	MOPH staff	Guidelines for exchange of information in food safety	17-Jun-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Copyright awareness for authors	Prosecutors, defense attorneys and members of MOIC	Implementation of law on copyright and intellectual property rights	18-Jun-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	MOPH food regulations working group	Review plant protection and quarantine regulation	To improve the draft regulation on plant protection and quarantine	18-Jun-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	Copyright awareness for authors	Prosecutors, defense attorneys and members of MOIC	Implementation of law on copyright and intellectual property rights	25-Jun-14	Kabul	Kabul	Kabul
C1: Trade Liberalization	WTO Trade Facilitation Agreement Workshop	Train MOCI staff on WTO TFA	To enable the MOCI to better negotiate on trade facilitation agreement with WOT member countries	24-Jun-14	Kabul	Kabul	Kabul

C2: Regional Markets	Multilateral Business to Business Forum Afghanistan, Kyrgyzstan, Pakistan, Tajikistan	Business to Business forum Afghanistan Kyrgyzstan, Pakistan and Tajikistan	The B2B forum achieved positive results, primarily by establishing a platform for potential business opportunities in each country, and secondly by creating a business-dialogue environment for entrepreneurs to explore the regional opportunities.	23-Jun-14	Dushanbe	Dushanbe	Dushanbe
C2: Regional Markets	WTO TFA Implementation and review	Discussion on WTO TFA	Identify the gaps between the rules of the WTO TFA and the current situation	16-18 June 14	Bishkek	Bishkek	Bishkek

ANNEX B: WTO LEGISLATIVE ACTION CHART

AFGHANISTAN'S LEGISLATIVE TRACKING CHART FOR WTO ACCESSION							
Highlighted rows denote areas of active ATAR support during the quarter.							
No.	Legislation	Responsible Ministry	Responsible ATAR Employee	Details	Stage: Stage 1-Sponsoring Ministry Stage 2-Ministry of Justice Stage 3-Council of Ministers Stage 4-Lower House of Parliament Stage 5-Upper House of Parliament Stage 6-President Stage 7-Entry into Force	ATAR Support	Laws and regulations included on MOJ 1393 agenda (Procedures do not need to be on MOJ agenda)
1	Amendments to the 2005 Customs Law	ACD	Wali Faqirzaad/Brian O'Shea	MOJ submitted the draft to the Council of Ministers in March.	Council of Ministers	Yes	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	Wali Faqirzaad	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. The Minister of Finance will adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	Yes	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	Wali Faqirzaad	The draft does not need review by MOJ since it is a procedure. The Minister of Finance will adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	Yes	N/A
4	Law on Standards and Technical Regulations	ANSA	Shahpoor Mehraban	With ATAR support, the ANSA Management Board completed the review at the end of June. ANSA will next submit the draft law to MOJ. ANSA and ATAR are working with MOJ to include	Sponsoring Ministry	Yes	No

				this draft law on MOJ's agenda for this year.			
5	Law on Plant Protection and Quarantine	MAIL	Siyar Sahar	MOJ submitted the law to the Council of Ministers in May.	Council of Ministers	Yes	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL	Sayed Hashimi	ATAR assisted the MAIL technical team in finalizing the draft law in June. ATAR will assist MAIL staff in presenting the draft to the MAIL Minister, who will then submit the draft to MOJ. MOJ originally did not include the law on its 1393 agenda; however, as a result of ATAR's efforts, MOJ reconsidered and included the law on this year's agenda.	Sponsoring Ministry	Yes	Yes
7	Law on Food Safety	MOPH	Gary Stefan, Nasiba Hussaini	With ATAR support, MAIL finalized and submitted the law to MOJ in 2012. However, MAIL sent a letter in May raising new concerns and requesting MOJ and MOPH to stop working on the draft in order to address those concerns. MAIL has now decided that an independent food control agency be established to implement the law. ATAR and the MAIL technical team will present this option to the MAIL Minister.	Ministry of Justice	Yes	Yes
8	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD	Wali Faqirzaad, Polly Maier, Drew Sundberg	The Minister of Finance adopted this procedure on April 12.	Sponsoring Ministry	Yes	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI	Wali Faqirzaad, Polly Maier	MOJ submitted the law to the Council of Ministers in March. The Council of Ministers has not yet begun review.	Council of Ministers	Yes	Yes

10	Amendments to the Law on Trade Marks of 1 September 2009	MOCI	Wali Faqirzaad	MOJ submitted the draft to Parliament in April.	Lower House of Parliament	Yes	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	MOIC	Wali Faqirzaad	In June, ATAR assisted MOJ's Executive Board in completing the review of the law. ATAR provided explanations to MOJ as required. MOJ gave the law to ATAR for final review. ATAR finished the review, and the Executive Board submitted the law to the MOJ Minister for his review and submission to the Council of Ministers.	Ministry of Justice	Yes	Yes
12	Law on Geographical Indications	MOCI	Wali Faqirzaad	During the quarter, ATAR provided legal assistance and clarifications to MOJ. MOJ submitted the law to the Council of Ministers.	Council of Ministers	Yes	Yes
13	Law on Industrial Designs	MOCI	Wali Faqirzaad	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	Yes	Yes
14	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI	Wali Faqirzaad	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.	Ministry of Justice	Yes	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI	Sayed Hashimi	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	Yes	Yes
16	Law on Topography of Integrated Circuits	MOCI	Sayed Hashimi	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	Yes	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	Sayed Hashimi	The relevant MOJ legislative department completed its review, and the draft law is awaiting submission to the MOJ Executive Board.	Ministry of Justice	Yes	Yes
18	Law on Plant Variety Protection	MAIL	Siyar Sahar	Despite ATAR's requests, MAIL did not submit the draft law to MOJ for inclusion in its 1393 legislative agenda. However, ATAR is working with MOCI to encourage MOJ to include the law on this year's agenda.	Sponsoring Ministry	Yes	No

19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ	Wali Faqirzaad, Drew Sundberg	The MOJ formally agreed in April to include the law in the 1393 legislative agenda. ATAR is working with MOJ to provide clarification on questions and concerns.	Ministry of Justice	Yes	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ	Siyar Sahar, Drew Sunberg	The draft is at MOJ under review by the relevant legislative department. ATAR and MOCI are encouraging MOJ to include on this year's agenda.	Ministry of Justice	Yes	No
21	Law on Foreign Trade in Goods	MOCI	Sayed Hashimi, Drew Sundberg	The draft is at MOJ under review by the relevant legislative department.	Ministry of Justice	Yes	Yes
22	Procedure on Import and Export Licensing	MOCI	Drew Sundberg	With ATAR support, MOCI approved and adopted the procedure this quarter.	Sponsoring Ministry	Yes	N/A
23	Procedure on Customs Storage Fees	ACD	Wali Faqirzaad	The draft is being circulated for final review within ACD.	Sponsoring Ministry	Yes	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	Siyar Sahar	During the quarter, ATAR prepared a methodology for fees for import licenses for importers/producers of pharmaceutical products. ATAR and MOCI are encouraging MOJ to include the law on this year's agenda.	Sponsoring Ministry	Yes	No
25	Value Added Tax	MOF	TBD	The Lower House approved the law; the law is now pending approval by the Upper House.	Upper House of Parliament	No	Yes
26	Income Tax Law (concerning unequal treatment of import tax)	MOF	Wali Faqirzaad, Drew Sundberg	The Afghanistan Revenue Department (ARD) indicated the draft was finalized and submitted to MOJ in January. MOJ indicated it has not received the draft.	Sponsoring Ministry	Yes	No
27	Law on Minerals	MOM	None	During the quarter, the Upper House approved the law. The law is now with the President for his approval.	President	No	Yes
28	Law on Safeguards Measures for Domestic Protection	MOCI	Sayed Hashimi, Drew Sundberg	The draft is awaiting review by the relevant MOJ legislative department. MOCI and ATAR are encouraging MOJ to include	Ministry of Justice	Yes	No

				the law on this year's agenda.			

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Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

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ACRONYMS

ABBAT	Association of International Transport Operators of Tajikistan
ABADE	Assistance in Building Afghanistan by Developing Enterprises
ACBR	Afghanistan Commercial Business Registry
ACCI	Afghanistan Chamber of Commerce and Industry
ACD	Afghanistan Customs Department
AMA	Afghan Marble Association
ANCA	Afghanistan National Customs Academy
ANSA	Afghanistan National Standards Authority
APTTA	Afghanistan-Pakistan Transit Trade Agreement
APTTCA	Afghanistan-Pakistan Transit Trade Coordinating Authority
ASYCUDA	Automated System for Customs Data
ARFC	Afghanistan Rural Finance Co.
ATAR	Afghanistan Trade and Revenue Project
BCP	Border Crossing Point
BMM	Border Management Model
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CBTA	Cross-Border Transport of Persons, Vehicles, and Goods
CCC	Customs Consultative Council
CHAMP	Commercial Horticulture and Agriculture Program
CSO	Central Statistics Office
DAB	Da Afghanistan Bank
DFID	Department for International Development
EBRD	European Bank for Reconstruction and Development
EDI	Electronic Data Interchange
EIF	Economic Integration Forum
E-Pay	Electronic Payment
EPAA	Export Promotion Agency of Afghanistan
FAIDA	Financial Access for Investing in the Development of Afghanistan
FICCI	Federation of Indian Chambers of Commerce and Industries
GAIN	Global Alliance for Improved Nutrition
GDP	Gross Domestic Product
GIROA	Government of the Islamic Republic of Afghanistan
GIZ	Gesellschaft für Internationale Zusammenarbeit
HKIA	Hamid Karzai International Airport.
ICD	Inland Clearance Depot
IFC	International Finance Corp.
IPR	Intellectual Property Rights
IRU	International Road Transport Union
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MEDT	Ministry of Economic Development and Trade
MOCI	Ministry of Commerce and Industries
MOIC	Ministry of Information and Culture

MOJ	Ministry of Justice
MOTCA	Ministry of Transportation and Civil Aviation
MOPH	Ministry of Public Health
PATTTA	Pakistan Afghanistan Tajikistan Transit and Trade Agreement
PCA	Post Clearance Audit
PPQD	Plant Protection and Quarantine Department
PPP	Public-private partnerships
PSU	Professional Standards Unit
PTA	Preferential Trade Agreement
REC	Regional Economic Cooperation project
SAARC	South Asia Association for Regional Cooperation
SAFTA	South Asian Free Trade Area Agreement
SOP	Standard Operating Procedures
TFA	Trade Facilitation Agreement
TIR	Transports Internationaux Routiers
TPAU	Trade Policy Analysis Unit
TRIPS	Trade-Related Aspects of Intellectual Property Rights
VAT	Value Added Tax
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

A. PROJECT OVERVIEW

Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global trading market.

ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is based in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support regional customs activities as well as a presence in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan to strengthen Afghanistan's trade ties in Central Asia. ATAR provides assistance to improve the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through the country's critical transition period.

Specifically, ATAR is tasked with:

1. Improving the capacity of the Government of Afghanistan (GIROA) to create and implement a liberal policy framework for trade and investment in accordance with international standards;
2. Enhancing integration in the regional and world economy through the promotion of trade and agreements, enhanced governance of corridors, and private-sector linkages throughout South and Central Asia;
3. Strengthening revenue generation for fiscal sustainability and trade facilitation through reforms and anti-corruption measures in customs.

These objectives are achieved through three ATAR components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to the World Trade Organization (WTO). This support is accomplished by building the necessary technical capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime within the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists GIROA to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with countries such as Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

Component 3: Improved Customs Administration

Component 3 will enhance GIROA's capacity to generate revenue through implementation of value added tax (VAT)[1], in combination with outreach and enforcement, by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

[1] This activity is on hold pending instruction from USAID.

B. EXECUTIVE SUMMARY

Component 1: Support Trade Policy Liberalization

Summary of key achievements

In an effort to bring Afghanistan's trade environment in line with WTO requirements, ATAR continued to assist GIROA in related legal reforms at every stage of the process from line ministry to Parliament. In a major achievement, President Ghani endorsed the amendments to the law on trademarks, which will soon be published in the official gazette for entry into force. The trademark law is part of a set of laws that the WTO requires of its members to ensure strong protection of intellectual property rights.

In support of implementation of the trademarks law, ATAR trained the trademarks section of MOCI's Afghanistan Central Business Registry for Intellectual Property (ACBR-IP) and supported ACBR-IP in delivering the training to more than 80 members of the private sector and legal community. ATAR supported preparation for implementation of other laws through trainings and working groups on the geographical indications law, food safety law, and animal health and veterinary public health law.

ATAR also worked closely with the Afghanistan National Standards Authority (ANSA) to prepare it for routine operation and subsequent accreditation of its food laboratory. This will allow ANSA to certify that Afghanistan's food imports and exports meet international standards. ATAR also trained laboratory staff from the ANSA, the Ministry of Public Health (MOPH), and the Ministry of Agriculture, Irrigation and Livestock (MAIL) on essential lab concepts as well as the ISO 17025 standard accreditation process.

Constraints

Afghanistan was well positioned to hold its fifth Working Party meeting, but the date of the meeting is pending the decision of the new Afghan government. ATAR supported the Ministry of Commerce and Industries (MOCI) in preparing materials for presenting the progress of Afghanistan toward WTO accession and the benefits of WTO accession to the new administration.

Component 2: Facilitate Enhanced Access to Regional Markets

Summary of key achievements

The Afghan government, with ATAR support, participated in the fifth Afghanistan Pakistan Transit Trade Coordination Authority meeting (APTTCA) on Jan. 1-2 and in a Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA) meeting on Jan. 3 in Islamabad, Pakistan. Decisions at the APTTCA meeting will help resolve certain trade and transit issues between Afghanistan and Pakistan, while the PATTTA meeting is the first meeting for launching negotiations that could pave the way for a trilateral trade and transit agreement between Afghanistan, Pakistan, and Tajikistan.

ATAR supported bilateral discussions between Tajikistan and Afghanistan on PATTTA in Dushanbe, Tajikistan, on March 9-10. ATAR provided guidance and clarifications to both parties during the bilateral

discussions. ATAR also delivered three awareness sessions in Tajikistan for the public and private sector to discuss PATTTA and receive feedback on the proposed agreement. ATAR assisted in reflecting proposals for improvements in the text of APTTA. ATAR also continued support in Kyrgyz Republic and Tajikistan toward implementation of trade facilitation measures.

In close partnership with the Export Promotion Agency of Afghanistan (EPAA) and other USAID projects, ATAR supported Afghanistan's participation in Gulfood, the world's largest annual food and hospitality show, in Dubai; Domotex, an international carpet exhibition in Germany; StoneMart, an event focusing on the stone industry, in Jaipur, India; and Aahar, an international food and hospitality show, in India. Traders reported about $6 million in confirmed deals as a result of the events. ATAR, in addition, continued supporting EPAA in preparation for Expo Milano 2015.

Constraints

The conflict between the Kyrgyz Republic and Tajikistan regarding the Karamyk border crossing point impeded ATAR's work on customs cooperation. In addition, the Turkmen and Uzbek governments have not yet totally cleared ATAR to proceed with operations in those countries.

Component 3: Improved Customs Administration

Summary of key achievements

In order to increase compliance, ATAR proposed a three-silo strategy agreed upon by ACD in principal. In order to increase compliance of activities, ATAR proposed an Internal Audit Unit that would be primarily responsible for assessing compliance with ACD's strategic, operational, and tactical processes and procedures. In order to increase compliance of staff, ATAR proposed a Professional Standards Unit to investigate any case with a reasonable suspicion that a staff member is guilty of misconduct. To assist in the overall risk management compliance strategy, ATAR assisted ACD in developing a professional Post Clearance Audit (PCA) function that would confirm that compliance exists following an audit of a customer's processes, systems, and procedures.

ATAR drafted the comprehensive gap analysis on PCA and delivered of a full-day workshop on the subject to ACD staff. The PCA will allow ACD to build confidence in a customer's internal operating procedures to identify his or her own compliance with relevant laws and procedures. Once confidence is secured following the audit, ACD can reduce intervention controls for that particular trader and focus on traders who are less likely to be compliant.

Constraints and critical issues

ATAR received positive feedback from ACD management on E-Pay, the electronic payment of customs duties, but ACD has yet to move toward implementation. In addition, security concerns regarding ACD prevented ATAR's expatriate staff from embedding at the site. The staff conducted short visits and meetings at ACD where possible throughout the quarter and relied as necessary on local ATAR staff who continue to work at ACD.

C. COMPONENT 1: TRADE POLICY LIBERALIZATION

1. Support WTO Accession Process

Afghanistan's fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation.

The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government. During the quarter, ATAR supported MOCI in preparing materials for presenting the progress of Afghanistan toward WTO accession and the benefits of WTO accession to the new administration. This included a summary on the status and merits of WTO membership for Afghanistan and a presentation summarizing commitments and key remaining steps and reforms

AFGHANISTAN'S WTO PROGRESS

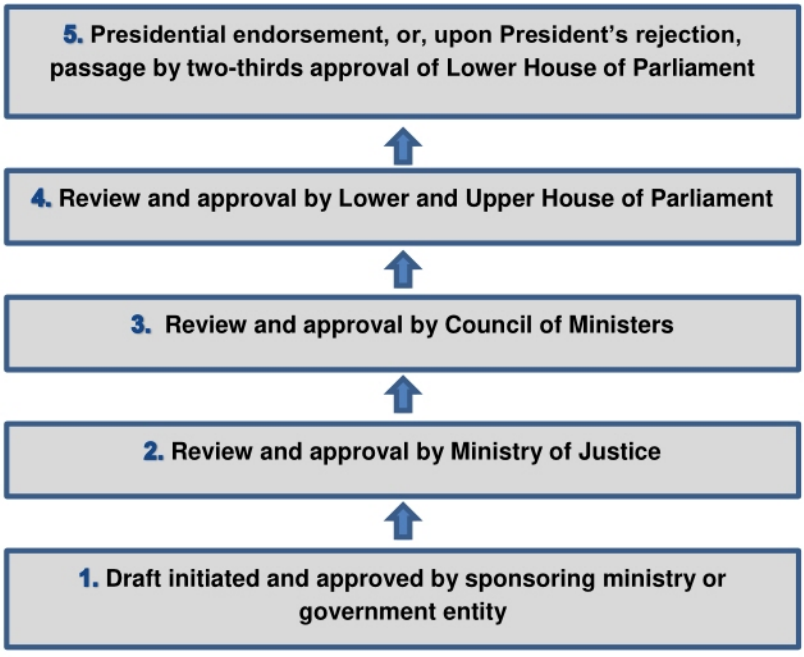
Afghanistan is in its final stages of WTO accession.

In early 2014, Afghanistan completed its bilateral market access negotiations, which represent around 60 percent of the WTO accession process.

By end 2014, Afghanistan's Working Party proceedings, which represent around 40 percent of the accession process, were 90 percent complete.

Remaining work relates to adoption of WTO-related legislation and resolution of certain policy issues.

AFGHANISTAN'S LEGISLATIVE PROCESS



2. Support Legislative Reforms for WTO Conformity

GIROA must reform and amend a wide array of legislation to conform to WTO rules and Afghanistan's commitments. This lengthy, complex process is presented in simplified form in the chart.[2] These diverse laws cover every aspect of a modern, vibrant trading regime – including customs reform, trade facilitation, intellectual property rights, food safety, and standardization.

Throughout the quarter, ATAR assisted at every stage of the

[2] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

legislative process from line ministry to Parliament. The following table provides the status of WTO-related legislative items as of the end of March. ATAR's active areas of support for the quarter are highlighted in light blue, and laws that have progressed in status during the reporting period are bolded.

During this period, ATAR continued promoting the addition of remaining drafts to the MOJ legislative agenda. The law on safeguards and the law on topography of integrated circuits were added.

Although not on the Afghan year 1393 or Afghan year 1394 agenda, the MOJ has nonetheless agreed to consider the draft law on standards and technical regulations. The draft law on plant variety protection remains the only draft to be included on the MOJ agenda.

The following remaining drafts, although not on the 1392 agenda, can be considered by MOJ, given amendments do not exceed 50% of the original legislation:

- Amendments to the regulation on drafting procedure and processing of legal acts;
- Regulation of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees for activity license for import of medicines and medical equipment);
- Income tax law (concerning 3% fixed tax).

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	**Legislation**	**Responsible Government Authority/ ATAR Employee**	**Status**	**Stage: 1. Sponsoring Ministry[3] 2. Ministry of Justice 3. Council of Ministers[4] 4. Parliament 5. President 6. Entry into Force**	**Laws and Regulations Included in MOJ Agenda[5]**
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	In the second half of 2014, ATAR worked with ACD to finalize the draft; the draft has been submitted to the Director General for approval. During the quarter, ATAR followed up with ACD to determine the status of the most recent draft and provided clarifications on some provisions. The Minister of Finance will adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A

[3] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[4] Regulations go to the Council of Ministers and do not proceed further.
[5] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	ANSA completed its review and shared the Dari law with track changes with ATAR. ATAR reviewed the draft for WTO conformity and provided comments to ANSA in January 2015. ATAR discussed comments with ANSA and assisted in revising the draft in February and March 2015 for submission to MOJ.	Sponsoring Ministry	No[6]
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	The Council of Ministers approved the draft in September 2014. The Council submitted the draft to MOJ for Pashto translation. MOJ translated the draft into Pashto and submitted it to Parliament in January 2015.	Ministry of Justice	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	During the quarter, ATAR assisted MOJ's Education, Culture, and Health Department in conducting several meetings on the draft law. Once the technical review is finalized, the law will proceed to MOJ Executive Committee.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During the quarter, ATAR assisted MOJ's Finance and Economic Department in conducting working group meetings to finalize the review of this law and ready it for submission to MOJ's Legislative Executive Committee. Once ATAR and MOJ finalize additional changes, the draft will be sent to MOJ's Legislative Executive Committee for final review before submission to the Council of Ministers.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A

[6] Although not on 1393 or 1394 agenda, the MOJ has nonetheless agreed to consider the draft law on standards and technical regulations.

9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	An article has been inserted into the law to establish a patent board in January 2015. MOJ is making efforts to send the patent law with an official letter to the Council of Ministers to be reviewed by the President.	Council of Ministers	Yes
10	**Amendments to the Law on Trademarks of 1 September 2009**	**MOCI Wali Faqirzaad Polly Maier**	**In January 2015, the draft was approved by the Upper House and sent to the Office of the State Minister for Parliamentary Affairs. On Feb. 10, 2015, the President endorsed the law. The law has been sent to MOJ for publication.**	**Ministry of Justice Publication Department**	**Yes**
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Legislative Committee of the Council of Ministers approved the draft, instructing MOJ to check certain terms. The Afghanistan Development and Peace Research Organization proposed changes and met with the Second Vice President, who asked MOJ to take the comments into account. In January 2015, MOJ asked ATAR to check if the amendments are WTO consistent. ATAR found that some violate WTO. ATAR, MOIC, MOCI, and the organization have met five times during the quarter and continue trying to reach an agreement.	Council of Ministers	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	On Jan. 5, 2015, a session was held on the law at the Commission of Religious Affairs, Cultural and Higher Education of the Upper House. On Jan. 6, a session was held at the National Economic, Financial and Budgeting Commission. ATAR provided clarification related to the law. Comments were compiled. On March 16, 17, 25, and 30, 2015, working groups were conducted on the revision of the law at the Upper House. Members of Parliament requested clarification on the title of the law and related articles. ATAR provided clarification and noted that amendments were needed to bring certain articles in	Parliament	Yes

			conformity with WTO. During the quarter, working group members debated the name of the law. It was changed from the law on geographical indications to the law on place of production and back to the original name.		
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	On Jan. 27, 2015, MOJ's Legislative Executive Committee held its first working group to review the law. Eight articles were reviewed. On Feb. 4, MOJ's Legislative Executive Committee held a second working group meeting. Participants reviewed ten articles. On March 4, the MOJ Executive Committee held its third working group on the law and completed review of the law. On March 25, ATAR aligned all relevant amendments, insertions, additions and omissions made by MOJ's Legislative Executive Committee. ATAR is working with MOJ to request relevant governments representatives provide their comments.	Ministry of Justice	Yes
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	On Feb. 9 and 16, 2015, MOJ held two working group meetings on the draft amendments. In close consultation with the Supreme Court, MOJ decided both laws – the civil procedural code and the commercial procedure code – should be jointly reviewed. On March 1, 2015, the Civil Procedural Code and Commercial Procedural Code were reviewed with the representative of the Supreme Court of Afghanistan; the Supreme Court representative requested all	Ministry of Justice	Yes

			amendments be incorporated into the Commercial Procedure Code. Currently, ATAR is assisting in incorporating all relevant amendments into the Commercial Procedure Code.		
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	During the quarter, ATAR assisted MOJ's Commercial and Private Sector Department in its initial review of the draft.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	ATAR is assisting MOJ to provide clarification on the law and put it on the agenda for next year.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi Polly Maier	MOJ's Legislative Executive Committee reviewed this law during the quarter. ATAR provided technical assistance to MOJ during review of the law. The law is now with the Minister of Justice. After the Minister has reviewed the law, MOJ will invite relevant ministries and agencies, including the private sector, to provide final comments. The law will then be sent to the Council of the Minister's Legislative Committee.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	During the previous quarter, ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. On Nov. 2, 2014, ATAR conducted a workshop at MAIL to improve understanding of the law and discuss the impact assessment.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	On Feb. 28, 2015, ATAR provided clarifications on revision of the draft law to MOJ's Legislative Executive Committee. On March 18, 2015, the first working group on amendments to the law was	Ministry of Justice	Yes

			conducted at the MOJ's Legislative Executive Committee. Participants reviewed eight articles.		
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	On Feb. 8, 2015, MOJ's Legislative Executive Committee held its first meeting on the draft law. ATAR participated in this meeting and assisted MOJ's Legislative Executive Committee in understanding the draft and ensuring compliance with WTO. On March 28, 2015, ATAR met with member of MOJ's Legislative Executive Committee to further clarify the law and answer questions.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	During this quarter, ATAR met with the Afghan Revenue Department to discuss proposed WTO-related changes to this law	Sponsoring Ministry	N/A

26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	MOJ's Finance and Economic Department started technical review of the law. ATAR conducted two meetings with MOJ regarding the law in March 2015.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on August 11. The law is published in the official gazette.	Entry into Force	Yes

3. Support Implementation of WTO Laws and Commitments

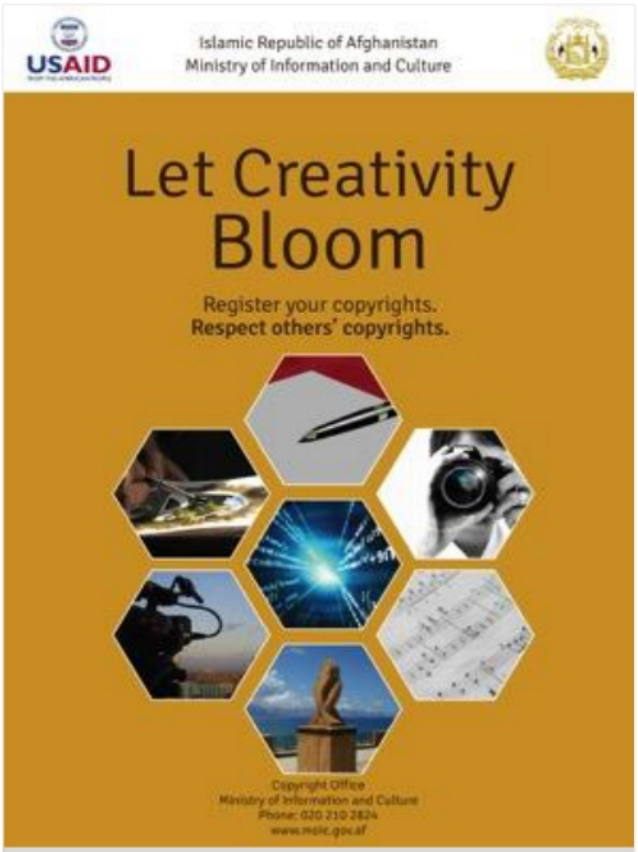
Intellectual Property Rights

Trademarks law

In support of implementation of the trademarks law, ATAR trained the trademarks section of MOCI's Afghanistan Central Business Registry for Intellectual Property (ACBR-IP) and supported ACBR-IP staff in delivering the training to judges and members of the private sector.

On Jan. 4 and 6, ATAR held a training seminar explaining the criteria for trademark registration. ATAR delivered the training to staff of ACBR-IP's trademark section. In the second half of January, ATAR assisted ACBR-IP staff in developing awareness materials for trademark registration. ATAR supported preparation of a poster and presentations.

On Feb. 8, ATAR and ACBR-IP held a one-day training titled "Awareness Training Seminar on Trademarks for the Private Sector." ATAR delivered the seminar to 27 private-sector members.



ATAR supported MOIC in creating a poster to raise awareness of copyrights.



ATAR provide training on trademarks to the private sector and judges in February.

On Feb. 9, ATAR and ACBR-IP held a one-day training called "Procedure for Trademarks Registration" for 33 members of the private sector. This seminar explained how to apply for trademark registration.

On Feb. 10, ATAR and ACBR-IP held a one-day training called "Trademarks for the Legal Community" for 18 members of the legal community. The training explained the legal aspects of trademarks and helped participants understand the importance of trademarks and the trademarks law.

On Feb. 22, ATAR and ACBR-IP delivered a one-day training called "Trademarks for Justices" to six judges, including one woman, and one public prosecutor in Kabul. The training focused on the legal and interpretational aspects of trademarks; the meaning of intellectual property; and the function and types of trademarks. The training helped the judges understand provisions of the law and understand the importance of the trademarks law to economic development and consumer interest.

Geographical indications law

In support of implementation of the geographical indications law, ATAR delivered a one-day training seminar on geographical indications and registrar rules to 26 staff of ACBR-IP on March 2 and two awareness training seminars on geographical indications to 22 members of the private sector on March 25-26. These trainings helped participants understand the importance of geographical indications and familiarized them with law and regulations related to geographical indications..

ATAR also discussed with ACBR-IP the organization of a registrar of geographical indications and discussed draft regulations for implementation of the law.



ATAR provided training on geographical indications to the private sector.

Geographical indications are place names or words associated with a place used to identify products that come from those places and have those characteristics. The geographical indications law restricts the use of the geographical indications for the purpose of identifying a particular type of product unless the product originates from a particular area or meets certain standards.

International intellectual property conventions

In March, ATAR completed translation of the Paris Convention for the Protection of Industrial Property, the Madrid Protocol relating to the Madrid Agreement Concerning the International Registration of Marks, and the Singapore Treaty on the Law of Trademarks.

The translations are part of ATAR's assistance to the Afghan government in the preparation and submission of applications for membership to the agreements. Afghanistan joined the World Intellectual Property Organization (WIPO), the requirements of which are linked to WTO, in September 2005. For WTO membership, Afghanistan is expected to join certain WIPO-administered conventions.

ATAR conducted, upon the request of ACBR-IP, a comparative assessment of intellectual property rights (IPR) exhaustion regimes used by different countries to examine which may be most appropriate for Afghanistan. Exhaustion refers to one of the limits of IPR. Afghanistan has not formally adopted either a national or an international IPR exhaustion regime.

WTO's Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement Article 6 states that nothing in that agreement shall be used to address the issue of the exhaustion of IPR so each WTO member is free to choose the type of IPR exhaustion regime it will enforce. The choice of exhaustion regime (national, regional, or international) determines the legality of the parallel importation of IPR goods, which is the importation of legitimately acquired goods containing IPRs where the importation is not authorized by the IPR owner.

ATAR drafted a report on IPR exhaustion that explained the background and purpose of IPR exhaustion, starting with a focus on the legal theory behind the exhaustion of copyright, trademark, and patent rights generally. The report described the flexibility that exists under international trade treaties and the global IPR system for a country to choose among different IPR exhaustion regimes and contained a comprehensive review of the IPR exhaustion regimes of the United States, the European Union, India (a South Asian Free Trade Area (SAFTA) agreement member), Bhutan (a SAFTA member and least developed country like Afghanistan), and Australia.

Sanitary and Phytosanitary Measures

Animal health

During the quarter, ATAR assisted MAIL's Animal Health Directorate in conducting 12 working groups (four in January, five in February, and three in March) to review procedures in support of the veterinary control of import and export regulation as well as procedures in support of the animal health regulation. Both regulations will support implementation of law on animal health and veterinary public health.

Procedures Reviewed in Support of the Veterinary Control of Import and Export Regulation	Procedures Reviewed in Support of the Animal Health Regulation
• Quarantine, seizure, destruction and disposal of a consignment of live animal(s), a commodity or a controlled article • Disinfection, disinfestations, destruction and disposal of live animal(s), commodities and controlled articles at designated ports of entry or within the territory of the Islamic Republic of Afghanistan • Sanitary measures for the importation of fresh, frozen or partially processed poultry meat. • Sanitary measures for the importation into and transit through the territory of Afghanistan, of live cattle and buffalo • Sanitary measures for the importation into and transit through the territory of Afghanistan of live sheep and goats	• Declaration of controlled animal diseases and diseases which shall be subject to control under an animal disease control scheme • Declaration of notifiable animal diseases in the territory of Afghanistan • Publication of changes to existing and proposed new draft procedures for the implementation of the animal health regulations • Delegation of powers and authority to perform functions by the chief veterinary officer to a provincial veterinary officer of the veterinary authority

On Jan. 27, ATAR assisted MAIL's Animal Health Directorate in conducting a seminar regarding the regulation of animal health for the directorate's technical staff. ATAR also facilitated two roundtable discussions in support of the law on animal health and veterinary public health.

On Feb. 22, ATAR supported a roundtable with importers of animal products and managers of MAIL's Animal Health Directorate on the impact of risk analysis and sanitary measures for imported animals and animal products.

On Feb. 23, ATAR supported a roundtable for managers of MAIL's Animal Health Directorate and livestock managers on the draft model animal health regulation; ATAR followed this roundtable with two days of training for the same group of participants on administrative procedures of the veterinary authority, disease surveillance, and disease prevention and control.

Food safety

ATAR assisted MOPH in conducting ten working groups during the quarter (four in January, three in February, and three in March) to review a procedure to support the food safety law. The procedure, 63 pages in length, concerned food category systems used with food additives permitted for human use. Representatives of MOPH, MOCI, National Environmental Protection Agency, EPAA, ANSA, Kabul University, and the private sector participated.

ATAR also worked with MOPH to plan for a working group that would help develop a national food control authority responsible for enforcing requirements of the food safety law. ATAR discussed the draft functional statement for the proposed food control authority with MOPH.

In the latter half of February, ATAR met with professors from Kabul University and the National Agricultural Education College to identify topics for inclusion in a course called "Introduction to Food Safety." Participants agreed on the topics and format for the lesson to be used in the course.

In August 2014, ATAR received the commitment of MOPH to work with the Ministry of Higher Education to adopt the course as part of the official curriculum of the Faculty of Veterinary Science. The course would help provide Afghanistan with specialists to implement the food safety law under WTO.

Phytosanitary

During the quarter, ATAR conducted four working groups with MAIL's Plant Protection and Quarantine Department (PPQD) to review the first three procedures in a manual of procedures that supports the plant protection and quarantine regulation. The participants included the technical team of PPQD and representatives of MOCI, ACCI, Kabul University, and the private sector.

Procedures Review in Support of the Plant Protection and Quarantine Regulation
• General conditions for the importation of plants, plant products and related articles • General conditions for the importation of plants, plant products and related articles • Procedures for importing insects/ticks (Ixodidae), nematodes/ microscopic living organisms' cultures including algae/ biological control factors

During January and February ATAR worked with Kabul University to finalize a curriculum for a course called "Afghanistan's Agriculture Import/Export Markets and Plant Health Standards." In August 2014, ATAR received the commitment of MAIL's PPQD and Kabul University's Faculty of Agriculture to establish the course as well as the commitment of PPQD to work with the Ministry of Higher Education to adopt the course as part of the official curriculum of the Faculty of Agriculture.

As part of WTO requirements, Afghanistan must pass and implement sanitary and phytosanitary laws, including the plant protection and quarantine law; the course would help to provide Afghanistan with the specialists needed to implement the law.

Safeguards Law

Afghanistan has no experience in administering safeguards and no institutions to conduct safeguards investigation. In Year 1, ATAR provided a strategy paper on the establishment of a safeguards unit within MOCI to administer the safeguards law once adopted. ATAR also supported the development a draft law in line with the WTO Agreement on Safeguards, which allows protection for domestic industries against sudden import surges in exceptional circumstances.

During this quarter, ATAR assisted in developing model documents for supporting the implementation of the safeguards laws covering the following:

- Structure and administrative rules of the state body/unit responsible for the safeguards law (investigating authority);
- Model forms and templates for each stage of safeguards proceedings (e.g. safeguards complaint form, investigative questionnaires, disclosure forms, non-confidential summary templates);
- Safeguard investigative procedures.

Customs

Advance Rulings

An advance ruling is a written binding decision provided to traders prior to the importation of a good that sets forth the treatment that the member shall provide to the good at the time of importation with regard to the good's tariff classification, the origin of the good, and other customs matters. A needs assessment for an advance rulings unit at ACD has been conducted. ATAR also supported advancement of draft amendments to customs law, which introduces advance rulings, and development of a procedure of advance rulings.

During this quarter, ATAR completed a "Manual on Administration of the Binding Decisions Program" for use by the General Directorate of Customs. This manual, more than 50 pages in length, is in the form of standard operating procedures (SOPs). It can be used as a reference manual by the staff in the General Directorate who operate the program and also can be used for training. The manual was written based on the binding decision program that is described in the draft amendments to Afghanistan's customs law and the draft Ministry of Finance's procedure on advance ruling on binding decision. These draft provisions, and therefore this manual, are aligned to international standards for advance rulings.

The manual covers all processes required to process an application for a binding decision (e.g., register application, reject application, assign application, request additional information, withdraw application, etc.) as well as all processes required to manage binding decisions once issued (e.g., extend expiration date, revoke or annul binding decision, prepare decision for publication, etc.). The manual includes templates for notifications and forms for all these processes, as well as guidelines for protection of confidential information.

Customs Arbitration Administration

The WTO agreements require acceding countries to establish independent appeal processes for examining cases related to trade and customs matters. This is important in countries like Afghanistan where access to the judiciary is lengthy and complicated. The regulations on customs arbitration administration was adopted in 2006 based on the authority provided in the customs law. This body has not, however, been established due to the fact that agreement cannot be reached on the three individuals who should be appointed to this body.

ATAR reviewed the 2006 regulations on establishment of the arbitration committee and provided best practice recommendations to be considered by the Ministry of Finance to overcome this impasse of nearly a decade.

4. Build Capacity and Sustainability of ANSA

Conformity Assessment Systems

ATAR worked closely with ANSA to design a certification mark for export products and internally manufactured products that meet standards and requirements. ANSA's top management approved the mark, and ATAR began work with ANSA to design a certification mark for management systems.



ATAR supported ANSA in the design of a mark that will certify Afghan products meet internationally accepted standards.

ANSA Training and Information Center

In support of the training and information center, ATAR held meetings with ANSA leadership on the development of an ANSA database that will house standards. ATAR prepared a detailed action plan, including requirements, training plan, and timeline for the database and shared the document with ANSA management.

National Metrology

In consultation with ANSA, ATAR prepared and submitted to USAID the terms of reference for an expert to assist in development a draft law on legal units measurement and law on legal metrology as well as to conduct a needs assessment for establishment of a national metrology institute.

ANSA Food Laboratory

ATAR assisted ANSA in developing documents required to operate its laboratory that will perform quality testing on food products. ATAR drafted SOPs based on international standards for specific product tests as well as procedures for a quality manual in accordance with the International Organization for Standardization (ISO). This documentation is necessary for ISO accreditation of the laboratory.

The documents also included organizational charts for ANSA and the food laboratory, including job descriptions and requirements; document control for writing and updating standard operating procedures; a description of how lab work may be subcontracted to other laboratories within Afghanistan or abroad; and plans for different types of training that may be provided by the food laboratory.

ATAR assisted ANSA in preparing procurement bidding documents for equipment and supplies needed for the food laboratory. When delivered, the equipment and supplies will elevate the status of the food laboratory from inactive to operational and will allow for commencement of technical training of laboratory personnel on basic laboratory procedures and operations.

On Jan. 7, ATAR conducted a workshop on ISO 17025, which details the requirements for the competence of testing and calibration laboratories. Twelve employees of ANSA participated in the ISO training, which is vital for good laboratory practices.

On Feb. 18, ATAR conducted training on best practices of laboratory operations for 11 technical staff from ANSA's food laboratory, MOPH food laboratory, and MAIL's veterinary laboratory.

On March 15, ATAR held training covering basic laboratory skills and safety for more than 30 laboratory technicians and supervisors from ANSA, MOPH, and MAIL. The training will help staff to ensure the safety and quality of Afghanistan's imports and exports.

On March 25, ATAR presented a workshop on ISO 17025 internal audit checklists. More than 30 laboratory scientists, supervisors and managers affiliated with ANSA's food laboratory, MOPH's food laboratory, and MAIL's veterinary laboratory participated in the workshop.



ATAR provided laboratory training to government laboratory staff throughout the quarter.

On March 16, ATAR organized a study tour of Omaid Bahar Fruit Processing Ltd., a Kabul-based company that is ISO certified. On March 29, ATAR organized a study to the Central Veterinary and Animal Public Health Lab at MAIL, which is considered one of the best laboratories in Kabul.

5. Assist in Building Capacity and Sustainability of the WTO Unit for Post-Accession

ATAR completed a draft white paper outlining the terms of reference for MOCI's WTO Unit to handle post-accession matters. ATAR discussed aspects of the paper with MOCI and received additional input. The paper included proposed functions of the WTO Unit, job descriptions, and qualification requirements, and a staff retention and technical sustainability plan.

ATAR developed a presentation for MOCI WTO Unit and other MOCI officials on post-accession matters to be delivered in March. The presentation was delayed to April due to temporary travel restrictions.

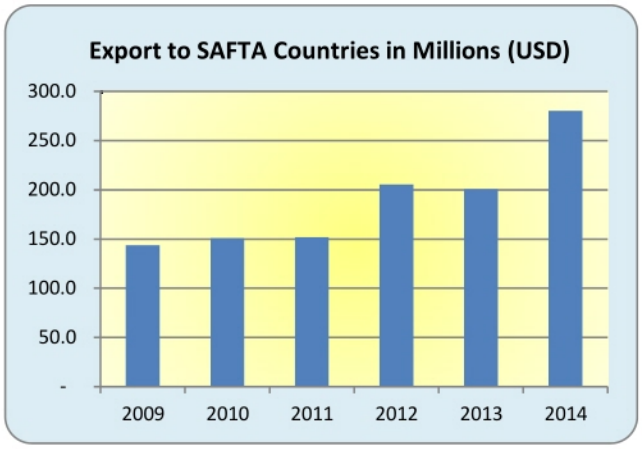
6. Assist in Building Analytical Capacity[7]

Trade Policy Analysis Unit

ATAR held consultative meetings with MOCI's Director General regarding the sustainability of MOCI's Trade Policy Analysis Unit (TPAU) and to discuss continuing capacity building and the education of current personnel.

ATAR conducted a capacity building needs assessment for the TPAU by interviewing staff of the TPAU and MOCI officials, including the Deputy Minister and the Head of the International Directorate, as well as ATAR staff. ATAR evaluated the analytical capacity and resources of the TPAU in terms of staff's ability to collect and analyze the appropriate trade and market data and undertake basic economic modeling and policy analysis to properly support the needs of government policymakers. ATAR prepared a report detailing a capacity building program, including a career path for existing staff, curriculum for each relevant technical area, and staff retention.

ATAR continued to work closely with TPAU to build its capacity to analyze trade data that will help GIROA make informed trade decisions. ATAR guided MOCI's TPAU in the estimated impact of the implementation of the SAFTA agreement.



Since SAFTA's full implementation in August 2011, Afghanistan's exports to SAFTA countries almost doubled. Exports to SAFTA countries increased more than 30 percent in 2014 alone, contributing .9 percent to the growth of Afghanistan's gross domestic product and improving the trade balance by about $230 million.

ATAR completed translation in Dari and Pashto of the "Annual Review on Trade Policy" that was prepared by MOCI's TPAU with ATAR support. ATAR began working with the TPAU to clean and finalize ACD data for preparation of MOCI's next annual trade review.

Central Statistics Office

To further reduce statistical discrepancies, ATAR held six trainings at the Central Statistics Organization (CSO) in January and February. These trainings focused on the application of software in statistics and

[7] For further information on ATAR's building of analytical capacity at GIROA, see the following section on the Central Statistic Office and SAFTA in the Afghanistan section of Component 2.

analysis and the preparation of formats to help eliminate discrepancies in the reporting of external trade data by CSO, ACD, MOCI, EPAA, and MAIL.

About 30 participants from these counterparts participated in the trainings. Participants studied methods of collection, verification, modification, maintaining, and analysis of trade and other economic data used for economic and trade policy analysis.

7. Assist in Building Nationwide WTO Awareness

ATAR will assist MOCI in building awareness of Afghanistan's accession commitments to the WTO once WTO members approved the WTO accession package. During this quarter, ATAR assisted in developing a presentation with high-level commitments made in the context of WTO accession.

Component 1: Planned Activities

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Continue to review the procedure on food category systems to support the draft food safety law with MOPH
- Continue supporting development of regulations and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue support for applying to intellectual property conventions
- Continue capacity building for implementation of geographical indications
- Build capacity of ACD on advance rulings to facilitate establishment of Advance Rulings Unit.
- Complete work on terms of reference for MOCI's WTO unit in a post-accession environment
- Deliver training to WTO Unit staff on post-accession
- Support development of syllabus and training materials for ANSA Training and Information Center
- Assist in development of draft law on legal units of measurement and law on metrology
- Conduct needs assessment for National Metrology Institute
- Conduct an assessment of food laboratory at the Ministry of Public Health

D. COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. Afghanistan

Trade Facilitation Support – Central Asian Republics

Regional and bilateral initiatives

During this quarter, ATAR followed up with MOCI on moving the following initiatives through diplomatic channels to launch negotiations: the trade and transit agreement between Afghanistan and Turkmenistan; the trade and transit agreement between Afghanistan and Uzbekistan; the trade and transit agreement between Afghanistan and Azerbaijan; and the trade and transit agreement between Afghanistan, Azerbaijan, Georgia, and Turkmenistan and the extension to Turkey (Lapis Lazuli).

At the request of ACD, ATAR supported the adaptation of the mutual assistance agreement with Tajikistan for Uzbekistan and Turkmenistan and translated both documents into Russian.

ATAR discussed with ACD the need to establish a genuine electronic data interchange (EDI) system with Tajikistan with real-time transmission data and mirror read-only databases. ATAR further discussed with ACD the draft memorandum of understanding with Tajikistan on the exchange of information, the harmonization of documentation, and other matters associated with effective control of cross-border trade.

Trade Facilitation Support – South Asia

SAFTA

On Jan. 11-12, ATAR guided a meeting at MOCI to assist in preparing a revised sensitive list for submission to the South Asian Association for Regional Cooperation (SAARC) as part of implementation of the South Asian Free Trade Area (SAFTA) agreement. Sensitive lists are products of special interest to SAFTA member countries and are exempted from low SAFTA tariffs.

On March 10, ATAR and MOCI's Regional Trade Department held a working group meeting to finalize the list. More than 40 representatives from MOCI, MAIL, EPAA, ACD, ACCI, and the private sector participated in the meeting. ATAR assisted in completion of the final draft of all sensitive tariff lines, which were reduced to 850 from 962. MOCI will sign the revised list and send it to SAARC upon appointment of the new Minister of Commerce and Industries.

During the quarter, MOCI received an official communication from the SAARC secretariat that the tenth meeting of the SAFTA Committee of Experts will occur in Kabul on Aug. 3-4 and the

What is SAFTA?

SAFTA is a regional free trade agreement between Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. These countries form SAARC.

Afghanistan ratified SAFTA on Jan. 7, 2011, and the agreement came into effect on Aug. 7, 2011. The agreement provided Afghan producers with greater and more consistent access to SAFTA countries' markets and provided consumers with greater access to affordable, imported products.

ninth meeting of the SAFTA Ministerial Council will take place in Kabul on Aug. 5 in Kabul. In March, ATAR held an initial meeting with MOCI on preparations for this first-ever such SAFTA meetings in Afghanistan. About 40 delegates from the seven other SAARC nations will participate in the meeting. ATAR will assist MOCI in developing an agenda, background paper, and other communication materials for this event.

APTTA

On Jan. 1-2, ATAR supported an Afghan delegation in the fifth meeting of the Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) in Islamabad, Pakistan. APTTCA was designed to allow the Pakistani and Afghan governments to resolve issues on APTTA and oversee its implementation. Acting Minister of Commerce and Industries Mozammil Shinwari headed the Afghan delegation at the meeting. Many of the decisions and actions made during the APTTCA meeting are expected to resolve challenges to Afghan transit trade to India through Wagah, a border crossing point between India and Pakistan, and to Pakistani seaports.

What is APTTA?

The Afghan and Pakistani governments signed APTTA on Oct. 28, 2010, and the Afghan government ratified the agreement on Jan. 7, 2011. APTTA replaced an outdated 1965 transit agreement and updated and improved the joint transit system to reflect current economic conditions, infrastructure, technology, and transport practices.

In one of the major decisions, participants in the APTTCA meeting agreed that Afghan trucks with a letter of guarantee can transit Pakistan up to Wagah effective Jan. 20. The letter of guarantee, to be issued by Afghanistan's Ministry of Transport and Civil Aviation (MOTCA), would replace costly bank guarantees required for trucks under APTTA.

On Jan. 13, ATAR followed up on the APTTCA meeting with MOCI's Director General of Planning and Policy and MOTCA officials to discuss technical assistance to issue letters of guarantee. After receiving input from the officials, ATAR designed the letters of guarantee, printed 200 letters for distribution by MOTCA, and provided training to MOTCA staff on implementation of the letters.



Clockwise from top left: 1) Afghanistan's Acting Minister of Commerce and Industries Mozammil Shinwari (right) signed minutes from the fifth APTTCA meeting with the Pakistan representative; 2) Afghanistan's Director General of International Trade Mohammad Rahim Momand (right) signed minutes from the bilateral trade meeting with the Pakistan representative; 3) The Acting Minister (right) signed minutes from the PATTTA meeting with the Tajikistan and Pakistan representatives; 4) The PATTTA representatives shake hands.

PATTTA

On Jan. 3, following the APTTCA meeting, ATAR supported Afghan, Tajik, and Pakistani representatives in their first trilateral meeting regarding the proposed PATTTA in Islamabad, Pakistan. ATAR helped prepare the Afghan delegation, headed by Acting Minister Shinwari, for advancing negotiations and supported preparation of an agenda, talking points, and material regarding special economic zones.

In February, ATAR and MOCI participated in a roundtable in Kabul to follow up on the trilateral meeting. Participants included MOCI's Director General of Trade and representatives of ACD, the Ministry of Foreign Affairs, MOTCA, and other officials.

What is PATTTA?

PATTTA would extend APTTA to Tajikistan, providing Pakistan and Afghanistan with access to Central Asian countries and providing Tajikistan with access to Pakistan's seaports by way of Afghanistan. PATTTA would also improve upon APTTA by better facilitating trade and reducing costs.

Participants reviewed APTTA and developed proposed alternatives and official negotiating positions for Afghanistan for bilateral PATTTA negotiations that occurred on March 9-10 in Dushanbe, Tajikistan, between the Afghan and Tajik government. ATAR assisted in drafting talking points and position papers and in amending the APTTA agreement consistent with input received during the roundtable.

ATAR facilitated the organization and logistics connected with the trip of the Afghan delegation to Dushanbe for the bilateral PATTA consultations with Tajik counterparts. ATAR participated in the meeting and provided guidance and clarifications to both parties. Subsequent to the March meeting, ATAR assisted in making further revisions to the PATTTA text to reflect agreed upon and new proposals.

Preferential Trade Agreement with Pakistan

During the quarter, ATAR reviewed the draft Preferential Trade Agreement (PTA) between Pakistan and Afghanistan to assess its consistency with Afghanistan's WTO agreements and commitments under SAFTA to identify implementation challenges for Afghanistan. ATAR developed a report and shared it with MOCI.

Trade and transit trade issues with Pakistan

During this quarter, ATAR assisted in developing two notes on transit trade through Pakistan and bilateral trade with Pakistan to support high-level dialogue that would facilitate transit and bilateral trade between Afghanistan and Pakistan.

Issues at Wagah border crossing

ATAR, in cooperation with USAID's Commercial Horticulture and Agricultural Program (CHAMP), developed a paper on ongoing infrastructure and procedural issues at the Wagah land crossing. The paper covered the issues of operating hours, prioritizing perishable products, availability of parking and refrigeration facilities, scanning and weighing costs, timely transmission of transit code from Torkham to Wagah, and other customs clearance issues. The paper was submitted to MOCI and private-sector organizations for discussion with Indian and Pakistan counterparts.

Modalities for trade/transit facilitation between Afghanistan and Pakistan

A meeting between the Afghan and Pakistani Ministers of Finance in November 2015 highlighted three areas relating to customs, including collection of customs duties and taxes by ACD at Pakistani ports, one border stop at crossing points between Afghanistan and Pakistan, and transshipping of Afghan transit trade in Peshawar.

In February, ATAR launched technical assistance to ACD and MOCI on developing modalities to support these trade and transit facilitation activities between Afghanistan and Pakistan. During the first half of March, ATAR held meetings with ACD and private-sector representatives from Alokozay Group of Cos. and the Afghanistan Chamber of Commerce and Industries (ACCI).

During the reporting period, ATAR developed the modality for a One Stop Border Post and submitted a draft document for discussion with ACD. The document has been accepted on principle by the counterpart and will be presented to ACD Director General and top management for approval. The document outlined the One Stop Border Post model for the establishment of joint border customs controls between Afghanistan and Pakistan at border crossing points between the countries.

Trade/Business Promotion

EPAA

In the first part of the quarter, ATAR supported EPAA in developing its annual work plan, which has been approved by MOCI. In addition, in coordination with EPAA, ATAR developed product-specific export promotion strategies for Afghan products for India. This strategy paper contains an analysis of six products – almonds, raisins, figs, dried apricots, pistachios, and saffron – and includes product description, global market overview, and proposed branding strategies for each of the products. ATAR also developed a planning document for EPAA for the development of a national export strategy.

Gulfood

In partnership with EPAA and USAID's CHAMP, ATAR organized the Afghan pavilion at Gulfood 2015 held from Feb. 8-12 in Dubai. The 16 Afghan businesses that participated reported more than $2.3 million in confirmed deals and $5.9 million in potential deals at the end of the event, according to a survey administered by EPAA.



ATAR supported Afghanistan's participation in Gulfood in Dubai.

Four of the participants visited the Dubai wholesale market and agreed with wholesale buyers to supply Afghan fresh fruit to Dubai wholesale markets in the upcoming season. CHAMP and ATAR rented the pavilion, and ATAR designed

the booth, invitations, and a catalog. ATAR also develop a short video on Gulfood and its success and submitted the video to USAID for its social media channels.

Domotex

Afghan carpet traders reported potential deals worth $3.6 million at Domotex on Jan. 17-20 in Hannover, Germany. ATAR developed a carpet catalogue for the exhibition and assisted EPAA in inserting a full-page advertisement in Hali, an international carpet magazine, to coincide with the show. Domotex is the largest international exhibition in the carpet sector.



ATAR supported EPAA's participation in Domotex in Germany.

India Stone Mart

Afghanistan's marble, onyx, and lapis lazuli traders reported more than $12 million in potential deals with Indian buyers at India Stone Mart in Jaipur, India. In partnership with EPAA, ATAR assisted the Afghan companies and organizations in participating in Stone Mart, which is the largest international exposition on the stone industry.

The four-day event, from Jan. 28-Feb. 1, gave Afghan companies and associations the opportunity to showcase Afghanistan's marble and precious stones. Many of the traders travelled to the New Delhi and Mumbai headquarters of the Indian companies to discuss deals. ATAR developed marketing materials and organized a factory visit for eight Afghan marble traders who saw marble cutting and polishing techniques used in India.


ATAR supported the participation of Afghan marble companies in StoneMart in India.

Aahar

ATAR worked with EPAA to support participation of 11 Afghan businesspeople in the Aahar International Food and Hospitality Show in New Delhi, India, on March 10-14. Traders reported deals of

more than $3 million for Afghanistan's saffron, dried fruit, and nuts and reported potential deals of almost $3 million for the products.



ATAR supported the participation of dried fruit, nut, and saffron traders in Aahar in India.

During the fair, ATAR assisted the traders in holding business-to-meetings and in conducting negotiations. About 100 business meetings were held, and about 3,000 people visited the pavilions. Prior to the event, ATAR assisted EPAA in identifying Afghan exhibitors who could benefit from participation in the show. ATAR also conducted training for participants, designed the pavilion, and created marketing materials.

Trade and investment workshop

ATAR launched consultations with stakeholders in Afghanistan and the Federation of Indian Chambers of Commerce and Industries (FICCI) for organizing a regional workshop on trade and investment in Kabul in September 2015. ATAR will initiate discussions with Pakistan and CAR stakeholders in early April.

Expo Milano 2015

ATAR assisted EPAA to organize the Afghan pavilion at Expo Milano, an international exhibition that will be held from May 1 to Oct. 31 in Milan, Italy. During this reporting period, ATAR assisted EPAA in planning the event and the management of the Afghan pavilion. ATAR helped to define the activities, events, and agenda for the six months of the event and, based on that, assisted EPAA in the preparation of a request for proposal for retaining an event management firm. ATAR, in addition, conducted meetings with potential sponsors and shortlisted potential new sponsors and provided guidance for the meetings. Further, ATAR assisted EPAA in developing an export booklet, a video for the event, and other marketing materials.

Marble sector

ATAR worked with FICCI, the Afghanistan Marble Industry Center for Excellence, and Rahasthan Udyog, an Indian machinery manufacturer, to promote the export of Afghan marble and attract investment in this sector. Rajasthan Udyog and the Afghan Marble Industry Center for Excellence formed an alliance that will promote technology transfer from India. This alliance will organize a joint training program for quarry workers and will promote Afghan marble across the world. ATAR facilitated a factory visit for seven Afghan marble producers through this partnership. Rajasthan Udyog is supplying

machinery to two Afghan organizations, and USAID's Assistance in Building Afghanistan by Developing Enterprises (ABADE) will provide a partial grant.

ATAR also assisted the Afghanistan Marble Association (AMA) in its advocacy effort for its members. The Afghan government imposed a ban on export of marble in rough form. This caused problems for the Afghan quarry as most them do not have facility for cutting and polishing. ATAR assisted AMA to make a representation to the President to withdraw this ban.

Cooperation between Afghanistan and Pakistan/ Khyber Pakhtunkhwa province

ATAR developed a paper on strengthening relations between Afghanistan and Pakistan/ Khyber Pakhtunkhwa province covering issues of interest to both parties, including energy, transportation and transit issues and investment and trade in mining, agriculture, and iron production. The paper was one of a series of four provided to MOCI officials at the request of the Ambassador to Pakistan to discuss issues in common with Pakistan provinces.

Framework for public-private partnerships

Per the request of MOCI, ATAR completed a review of Afghanistan's draft law on public-private partnerships (PPP) for consistency with best international practices and proposed changes, ATAR also recommended next steps that must be considered, including the other key components of the PPP framework such as PPP policy, PPP institutions and organizational relationships, PPP regulations and procedures, and PPP training and capacity building.

Export fund

In February, ATAR developed the concept of an export fund for EPAA that would provide financial and non-financial benefits to build the capacity of Afghan exporters and help increase the country's exports. The objective of the export fund is to support Afghanistan exports through financial and technical assistance to develop competitive products, create jobs, and attract investment. The proposed fund would help Afghans conduct or participate in exhibitions and provide export guarantee benefits to financial institutions to enhance exporters' access to affordable financing. ATAR suggested a separate board to manage the fund, with the EPAA chief executive officer being a member of the board.

On Feb. 18, ATAR conducted a roundtable on the fund for representatives from MOCI and EPAA. Based on the recommendation of the participants, ATAR worked with EPAA to promote the idea and presented the concept to Harakat, an Afghan organization that works to improve Afghanistan's business environment as well as the International Finance Corp. (IFC) and the Department for International Development (DFID).

Harakat expressed willingness to fund the concept in its budget for next year, and DFID expressed willingness to support the activity through its private-sector development program; IFC said it would discuss the idea with upper management. ATAR will continue to assist EPAA to coordinate with other donors to implement the export fund.

Trade finance roundtable

On March 3, ATAR and EPAA organized a trade finance roundtable in Kabul to increase traders' access to financial mechanisms that can help them grow their businesses and increase exports. More than 70 people participated, including exporters, government officials, and bank and insurance representatives. The roundtable addressed challenges to accessing finance and explained available trade finance products and services.

As a result of the workshop, five businessmen and three businesswomen began working with USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project, which also participated in the event, to complete and submit loan applications that will help them strengthen their businesses. In addition, the Afghanistan Rural Finance Co. (ARFC) agreed with EPAA to offer finance to Afghan exporters.

In February, ATAR also delivered two trade finance awareness seminars to businesswomen and businesses representatives of different economic sectors such as marble, dried fruit, saffron, and carpets.

Afghanistan-Pakistan Joint Business Council

ATAR started the process of drafting a memorandum of understanding and terms of reference for the formation of an Afghanistan-Pakistan Joint Business Council, called for in the minutes between the two ministers of finance of Afghanistan and Pakistan in November 2014.

2. The Kyrgyz Republic

CBTA

Early in the quarter, ATAR learned the Kyrgyz Ministry of Foreign Affairs sent the Afghanistan's protocol of accession to the Cross-Border Transport Agreement-Corridor 5 (CBTA) to the Kyrgyz Ministry of Transport and Communications after receiving it from Afghanistan in December.

In February, ATAR met with the Kyrgyz Deputy Minister of Transport and Communications to discuss the ratification of the Afghanistan protocol CBTA. The Deputy Minister outlined the process for ratification and appeared agreeable to pursing ratification ATAR presented the Deputy Minister with a white paper outlining the benefits of ratifying the Afghanistan protocol.

WHAT IS CBTA?

The CBTA between Afghanistan, the Kyrgyz Republic, and Tajikistan helps link East Asia with the Middle East and South Asia through Corridor 5. Corridor 5 connects East Asia to the Arabian Sea through Central Asia. The corridor is one of the six transport corridors that traverse the CAREC region. CAREC brings together Afghanistan, Azerbaijan, China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan and promotes regional projects.

WTO TFA

On March 19, ATAR led a presentation and discussion on the WTO Trade Facilitation Agreement (TFA) at the Kyrgyz Ministry of Economy. The event attracted 32 participants from relevant border-related agencies, brokers and transport associations, and donors such as USAID, Gesellschaft für Internationale Zusammenarbeit (GIZ), and the World Bank.

WHAT IS WTO TFA?

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved WCO Revised Kyoto Convention provisions, a number of improved provisions in existing WTO agreements, and new trade facilitation provisions. This new agreement presents a new framework for promoting regional reforms to facilitate trade, reduce corruption, improve transparency and private sector participation, and strengthen transit rights. The agreement will enter into force when two-thirds of the WTO member countries submit a letter of acceptance to the WTO Trade Facilitation Committee.

ATAR gave an overview of the WTO TFA, the results of the ATAR's TFA assessment of the Kyrgyz Republic, best practices in the establishment of a National Trade Facilitation Committee, and the WTO-TFA related reporting requirements. ATAR will hold a similar roundtable in April in cooperation with GIZ, this one targeting traders.

Binding rulings

ATAR prepared a recommendation for adoption of an effective customs binding ruling program, along with a draft regulations, for presentation to the Kyrgyz government. Binding rulings enable importers and other interested parties to get binding pre-entry classification, origin and/or valuation decisions prior to importing a product. If adopted, Kyrgyz customs will be in compliance with Article 3 of the WTO TFA.

ATAR translated the documents and will submit the documents to the Ministry of Economy. ATAR began working on a similar recommendation on pre-arrival declaration, another TFA article.

ATAR also started examining the current fee structure for customs processing in light of Kyrgyz customs code provisions and the requirements of the WTO TFA

Customs risk management

The paucity of information in Kyrgyzstan customs is preventing any meaningful risk management system from functioning. A comprehensive report was produced highlighting the various sources of information that are available, the process for gathering the information and recommendations which should help in broadening the information base on which Kyrgyz customs can draw to develop more relevant risk profiles. A paper was produced on a suggested methodology for ensuring that profiles are regularly reviewed and analysis of the profiles is undertaken objectively. Due to the Customs Union, Kyrgyzstan is not interested at this point in regional cooperation with Tajikistan and Afghanistan on risk management.

Modern Transport and Logistics Workshop

ATAR followed up on the Modern Transport and Logistics Workshop held in Bishkek in December by contacting Kyrgyz workshop participants to obtain their feedback on the workshop. They indicated they were pleased with the workshop and felt the presentations were meaningful. They also said they established useful contacts in countries where they previously had none.

Customs Consultative Council

Prior to 2011, Kyrgyz customs regularly held meetings with importers, exporters, and brokers. This was called the Customs Consultative Council (CCC) and provided an opportunity for traders to voice their frustrations and for customs to articulate regulations. ATAR has been actively promoting the re-establishment of the CCC, and two sessions have been held to date. An additional event was held with both customs and Ministry of Economy participation aimed at providing information to traders about future changes caused by accession to the Customs Union, a critical concern for cross border traders in the Kyrgyz Republic.

3. Tajikistan

PATTTA

ATAR facilitated the deployment of the Tajik delegation to the PATTTA tri-lateral meeting in Islamabad on Jan. 3. Following the delegation's return, ATAR, in the company of the USAID Country Director and the U.S. State Economic Advisor, met with the Deputy Minister for a debrief of the meeting. The Tajik government said it was committed to continuing the trilateral discussions and indicated willingness to sign the agreement in the near future.

In the latter half of January, ATAR provided a Russian-language version of the Pakistan proposal of the PATTTA to the Tajik government. The Ministry of Economic Development and Trade disseminated the Russian translation to government counterparts.

On March 9-10, Tajikistan and Afghanistan held bilateral discussions on the proposed PATTTA. ATAR supported the Tajik negotiating team by providing a Russian translation of the Afghanistan draft counter-proposal to the Pakistan PATTTA proposal. ATAR participated in the meeting and provided guidance and clarifications to both parties. Subsequent to the meeting, ATAR supported further changes to the PATTTA counterproposal to support agreed-upon items and additional proposals.

Afghanistan, Tajikistan, and Pakistan are expected to meet in Dushanbe for the second trilateral meeting on PATTTA in April. Although the Tajik and the Afghan delegations shared commonality in their response to the Pakistan proposal, they are both submitting individual counter-proposals for discussion at the upcoming tri-lateral. ATAR provided an English translation of Tajikistan's counter-proposal.



ATAR supported bilateral discussions between Tajikistan and Afghanistan on PATTTA in March.

Support to the State Customs Service

ATAR supported the Tajikistan State Customs Service on its national strategy for integrated border management following the country's implementation of a "one stop shop." A customs "one stop shop" is as a system of coordination for authorities involved in inspecting a good; the process is conducted under the supervision of the customs administration so that different controls, such as sanitary, veterinary, phytosanitary, and security inspections, can be carried out in one place at one time.

ATAR, in conjunction with the GIZ's Regional Trade Facilitation project, delivered an analysis of the review of the one stop shop concept implemented at the Nijni Panj border crossing point in Tajikistan near Afghanistan. The review consisted of desktop review of laws and regulations and a visit to Nijni Panj for oversight of the processes in November 2014. The resulting analysis from ATAR and GIZ included re-engineered business process proposals and recommendations to improve inter-agency relationships, goods clearance procedures, and infrastructure support at the site. ATAR prepared a presentation of the findings for a roundtable to be scheduled as soon as the Tajikistan States Customs Service is available.

ATAR also assisted with the installation of a risk information database at three customs stations in Dushanbe identified as crucial links for expanding information flow to the risk management unit: the airport freight office, the railway freight yard, and the international post office.

ATAR complimented each installation by providing on-the-job training for customs staff and delivered a paper on identification of information, mechanisms for collection, analysis, and dissemination, and data collection principles. ATAR had developed the risk information database, which offers centralized collection of information relating to compliance and enables effective risk management.

ATAR also proposed a structure for centralized risk management, including the introduction of a Risk Management Committee, developed job descriptions for the Risk Management Unit, and prepared a proposed training plan for the risk analysts. The proposals are being translated prior to presentation to the Tajik State Customs Service.

Mutual exchange of risk management information

In an effort to further promote trade facilitation between Tajikistan and Afghanistan, ATAR drafted an agreement on mutual exchange of risk management information in customs matters and proposed the agreement for the trilateral adoption of ACD, the Tajikistan State Customs Service, and the Kyrgyzstan Customs Service.

ATAR presented the draft agreement to the Tajikistan State Customs Service and is awaiting feedback. The agreement is intended to strengthen customs-to-customs cooperation in the exchange of information for customs risk management and will help promote regional and international trade.

Support to the State Veterinary Inspection Service

ATAR provided a Russian version of a training course on conducting qualitative import risk analyses to the Tajik State Veterinary Inspection Service. ATAR had developed this material and delivered it to the Afghanistan Veterinary Inspection Service; ATAR shared it with the Tajik counterpart as Tajikistan has proposed an agreement in mutual assistance and cooperation on veterinary science matters with Afghanistan.

PATTTA Public Private Dialogue

To build PATTTA awareness and support for the upcoming negotiations rounds in March and April, ATAR held during this quarter three awareness/public-private dialogue events in February and early March in cooperation with the Ministry of Economic Development and Trade (MEDT). On Feb. 25, ATAR facilitated a session hosted by the Association of International Transport Operators of Tajikistan (ABBAT) for 15 participants and facilitated another session on Feb. 26 at the Association of International Transport Operators of Tajikistan (AIATT) for 17 participants. Participants included representatives from the transport companies, the Tajik customs service, the Ministry of Transport, MEDT, the State Insurance Agency and the USAID mission.

On March 13, ATAR facilitated the third session in Tajikistan for the public and private sector to discuss the proposed PATTTA. The session, supported by MEDT, was delivered to private-sector members of the Tajikistan Chamber of Commerce and Industry. The private-sector participants stressed the importance of the three governments minimizing non-tariff barriers. The participants also requested an economic study comparing the benefits and advantages of the two main seaports – Karachi in Pakistan and Bandar Abbas in Iran. The study's results would enable improved decisions regarding market access and transport options.

4. Turkmenistan

WTO TFA

ATAR completed assessment of Turkmenistan's legal, regulatory, and institutional framework for conformity with the WTO TFA. ATAR launched translation for further transmission to Turkmen authorities.

WTO/WCO customs assessment

ATAR completed the translation of the assessment of the Turkmen customs code with WTO agreements and the World Customs Organization (WCO) Revised Kyoto Convention and shared the Russian version with USAID Turkmenistan. With the support of ATAR, USAID submitted a cover letter for transmitting the analysis to the Ministry of Foreign Affairs of Turkmenistan and offering the State Turkmen Customs Service to discuss and make the changes in the Turkmen code to align it with the WCO Revised Kyoto Convention and WTO customs-related agreements and to deliver related seminars.

Turkmen construction exhibition

ATAR began planning for the participation of Afghan marble businesses in the international "Turkmen Construction 2015" exhibition in Ashgabat from August 27-29. ATAR is working with the Chamber of Commerce and Industry of Turkmenistan and the Afghanistan Marble Industry Center of Excellence to secure a pavilion for Afghanistan

Support to Export Promotion Institute

In response to interest from the Turkmen Export Promotion Institute on USAID's export promotion support, ATAR provided a note highlighting USAID activities in neighboring countries related to export promotion and development and suggestions for initial support for the Turkmen Export Promotion Institute. USAID sent the note to the institute.

5. Uzbekistan

Customs training

ATAR prepared an outline for one week of training on customs risk management and authorized economic operators to be delivered to Uzbek customs. The outline was shared with USAID/Tashkent and transmitted through a diplomatic note to Uzbek authorities. ATAR provided additional clarifications to the Ministry of Foreign Affairs upon receiving initial feedback.

Termez-Hairaton process mapping

ATAR discussed with UNDP the possibility of cooperation on mapping import, export, and transit processes at the Termez crossing point and identifying bottlenecks and opportunities for streamlining

process and reducing steps for reducing costs and delays. Uzbek customs is interested in similar study for Tashkent Airport and would probably agree on the Termez mapping if task covers also Tashkent airport.

Trade/transit route study

ATAR completed planning to launch a study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. This study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan. Pending approval of the terms of reference, ATAR is ready to start this study.

Uzbek Chamber of Commerce and Industry

In March, ATAR met with the Chairperson of the Uzbek Chamber of Commerce and Industry. ATAR briefed him on the objectives of the project in terms of increasing Uzbek trade with South Asia and Afghanistan and exploring cost-efficient routes and a framework for linking Uzbekistan with South Asia and open seas and facilitating trade. The Chairperson was supportive and agreed to start planning a targeted business-to-business event with Afghanistan.

ATAR informed him of the various initiatives in the region to facilitate trade and transit. He was particularly interested in APPTTA as it provides road access to India. He stated that Uzbekistan should perhaps consider becoming a member of this agreement. He indicated a great interest in increasing trade with South Asia but stressed the importance of eliminating logistical and costly bottlenecks. He was also interested in the regional studies being conducted under the project and indicated that the chamber is prepared to help and provide data. He assigned a point of contact to work closely with the project.

Tashkent route study

ATAR completed planning a study to assess alternative routes for linking Tashkent with New Delhi and the Arabian Sea. This study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan. ATAR developed a terms of reference for approval by USAID.

Coordination meetings

ATAR held a series of meetings to discuss potential cooperation in trade and customs related activities. This included the IFC, UNDP/Customs, UNDP/Trade, ADB, and GIZ. ATAR also met with the Commercial Officer at the Afghan Embassy in Tashkent and discussed issues concerning trade between Afghanistan and Uzbekistan. The Commercial Attaché expressed support for any activities that would link Afghan and Uzbek businesses.

6. Cross-Cutting

APTTA extension study

ATAR completed an impact assessment on extending APTTA to Tajikistan and India. ATAR shared the English version of the report with MOCI and USAID office in Tajikistan for further transmission to the Tajik MEDT. ATAR also began translation into the Russian language.

Regional comparative advantage/trade complementarity study

ATAR continued working on an analysis to assess regional comparative advantage and trade complementarity and identify viable value chains. By the end of this quarter, ATAR completed the analytical work. ATAR is drafting the report.

Wheat flour vitamin fortification working meeting

ATAR participated in a wheat flour vitamin fortification working meeting in Almaty, Kazakhstan, on Feb. 8-10 with the USAID Mission for Central Asia and the Global Alliance for Improved Nutrition (GAIN).

The group discussed strategies for harmonization of wheat flour fortification specifications throughout Central Asia, Pakistan, and Afghanistan. The participants reviewed and finalized educational material and presentations and discussed harmonization strategies and public messages. The group met with three representatives from the European Bank for Reconstruction and Development (EBRD) and learned of the bank's funding and business management efforts with flour millers in the region.

On the final day, ATAR presented research results to about 30 USAID officials, GAIN representatives and other interested parties during a video conference among USAID regional offices from Afghanistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan followed by discussion and plans.

In the second half of February, ATAR further revised the fortified wheat flour study taking into account input provided regarding the situation in Uzbekistan.

Regional customs workshop

ATAR assessed the possibility of a regional customs workshop in Tashkent involving eight countries (Kyrgyz Republic, Tajikistan, Uzbekistan, Turkmenistan, Afghanistan, India, and Pakistan) and covering customs valuation, risk management, E-Pay, post-clearance audit, authorized economic operators, and electronic data interchange. IFC and other donors are not ready to collaborate on this at this stage due to funding constraints.

Component 2: Looking Forward

- Continue to support the PATTTA process
- Continue development and finalization of modalities for Afghan customs at Karachi; transshipping in Peshawar; and a single border stop at crossing point Afghanistan-Pakistan
- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Facilitate the development of a memorandum of understanding on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Support the Tajikistan State Customs Service on the national strategy for integrated border management
- Build capacity of Tajiks State Customs on post-clearance audit
- Support implementation of select provisions of trade facilitation in Kyrgyzstan
- Complete a regional study on comparative advantages and trade complementarity
- Launch trade route mapping study linking Uzbekistan and India and Arabian Sea
- Launch free economic zones assessment
- Continue implementation of aspects related to South Asia Strategy
- Continue promoting regional trade and customs initiatives with CAR
- Continue support SAFTA process
- Continue building EPPA capacity
- Support EPAA in its participation in Expo Milano 2015
- Continue planning for trade and investment conference in September 2015

E. COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. Support Regional Integration

See Component 2 for further information on regional integration between Afghanistan, Pakistan, and Central Asia.

2. Institutionalize the Border Management Model

ATAR continued to support the implementation of the Border Management Model (BMM) through weekly reporting from regional staff. The weekly reports highlight examples of best practices and areas of concern that need to be raised with ACD's Director General.

WHAT IS BMM?

Afghanistan's BMM establishes clear roles and responsibilities for ACD, which is responsible for cross-border trade, and the Afghan Border Police (ABP), which is charged with immigration and national security at the borders.

The model encourages information sharing between the two entities to stem corruption, smuggling, and other illegal activities. The aim of the model is also to reduce interaction with other agencies operating at the border, thereby speeding trade across the border.

In July 2011, the BMM was implemented on a pilot basis at the Hairatan Border Crossing Point (BCP) in Balkh. Following this successful initial implementation, ACD implemented the model at other BCPs.

3. Strengthen the Customs Code and Customs Policies

ATAR continued to support ACD in a review of its customs regulations and procedures to help ensure that they are aligned with international standards. ATAR provided technical assistance to ACD on warehousing, advanced rulings, and licensing regulations.

4. Implement Risk Management Systems

Toward the end of the quarter, ACD senior management committed to providing ATAR with direct access to ASYCUDA (Automated System for Customs Data) World to identify data required to support further efforts to enhance risk management. ATAR developed 13 report templates that will be coded within ASYCUDA World, so that appropriate data can be extracted easily (known as "key stroke" reports). Travel restrictions to ACD slightly delayed the process, as the reports should ideally be coded with an international advisor to ensure all data is captured correctly.

This data will be used to assist ATAR in advising ACD in a number of risk management areas, including: intervention percentages, compliance assessments by location, use of random selectivity, and performance of regional risk profiles (i.e. those that yield the greatest number of infractions). Once these reports have been coded within the system and ATAR obtains the data, the project expects to submit its complete assessment of the implementation of risk management.

ATAR continued to monitor ACD's risk management in Kabul, Herat, Jalalabad and Mazar-e Sharif through comprehensive risk management data that was obtained at a regional level by ATAR's staff in the

regions. ATAR developed a template for a weekly compliance snapshot that will allow ACD management to closely monitor regional compliance and performance data. This was developed as an interim measure until ATAR receives the comprehensive ASYCUDA World data.

The snapshot will provide ACD management with a summary of compliance and performance data for Inland Clearance Depots (ICDs) at Hairatan, Herat, Jalalabad, Kandahar, Kabul, and Hamid Karzai International Airport (HKIA). This data includes risk management information that identifies ACD compliance with the policy; number of infractions; any additional revenue following selectivity controls and lane selectivity percentages; and average clearance times per selectivity lane. The snapshot will also capture other data relevant to ACD compliance with the national streamlined procedures blueprint.

WHAT IS RISK MANAGEMENT?

In the past, ACD policy required all imports and exports be subjected to a physical examination; this caused delays in clearing goods and was an inefficient use of staff resources.

In 2012, ACD developed and implemented a revised interdiction strategy based upon the principles of risk management. Risk management is an internationally accepted approach to using limited resources to focus on trade transactions that pose the greatest risk, and allow all other trade transactions to be cleared with minimal or no controls.

Risks include revenue loss through undervaluation, misclassification, or smuggling and interdiction of prohibited goods such as narcotics or pre-cursor chemicals. On the other hand, under risk management, traders and brokers with a documented history of compliance with ACD's laws and requirements face minimal to no intervention.

ATAR advised ACD regional managers in responding to ACD Risk Management Committee's request to ensure all risk management problems are forwarded to the committee on a monthly basis and that ICD staff prepare ASYCUDA profile request information forms and forward them to the committee. ATAR assisted the ACD risk management manager in creating 20 risk profiles for Herat ICD.

5. Implement Electronic Payment of Customs Duties

Although Da Afghanistan Bank (DAB) was ready to proceed with electronic payment of customs duties, or E-Pay, ACD did not provide terminal access and passwords for ASYCUDA to DAB staff due to remaining concerns about the process.

In February, ATAR met with ACD and DAB at the USAID offices to discuss roadblocks to the implementation of E-Pay. ACD outlined its concerns, and DAB said it would assist in assuming responsibility for certain procedural requirements where appropriate. Participants agreed that ACD's Operation Director would follow up the meeting by emailing specific concerns to DAB, including providing proposed solutions.

ATAR assisted ACD's Operations Director in drafting the concerns, and ACD submitted its specific concerns and solutions in the second half of February. DAB replied in the first half of March. ACD and ATAR held discussions to progress the initiative. It was agreed that ACD would provide ASYUCUDA

terminal access and passwords to DAB employees on receipt of their details. This was provided by DAB, but ACD has not yet provided access.

6. Increase Gender Representation in ACD

ATAR began an internship program in late 2014, placing young university graduates at ACD for six months to prepare them for a possible career at ACD or to give the foundation for a job in the trade sector. While ATAR focused on recruiting mainly females for the program, the vast majority of qualifying resumes were from males. ATAR selected nine interns, including two females and seven males, for the internship program.

The students continued working in ACD's tariff, exemption, post clearance audit, valuation, tariff research and statistics, and transit departments. During the quarter, ATAR supported the ACD internship program through regular meetings and daily workplace support.



An intern, a member of ATAR's internship program, worked at her computer in ACD.

In an effort to reduce the gender gap at ACD, ATAR delivered a train-the-trainers course on Jan. 10 in gender awareness to seven Afghanistan National Customs Academy (ANCA) trainers. ANCA, with ATAR support, then led gender awareness courses on Jan. 17 with 21 male participants and on Jan. 24 with 24 female participants. The training will become a part of ANCA curriculum.

ATAR also met with ACD's women's representative. This meeting included a telephone conference call with the Ministry of Finance's Director of Gender to discuss concerns and issues of female employees at ACD in Kabul and the regions.

7. Reduce Corruption at ACD

In consultation with ACD, ATAR finalized the draft policy and procedure manual for the implementation and operation of an Internal Audit Unit (IAU) in ACD. The policy and procedures are consistent with relevant provisions of the "International Professional Practices Framework" – which is the conceptual framework that organizes authoritative internal audit guidance promoted by the Chartered Institute of Internal Auditors. The procedural manual is in line with associated standards in the "Standards for the Professional Practice of Internal Auditing."

In February, ATAR gave a presentation to ACD Directors and the Head of the Legal Department to highlight the requirements for ACD to enhance their compliance strategy, with a focus on staff through the IAU, activities through a Professional Standards Unit (PSU), and customers through Post Clearance Audit (PCA).



ATAR gave a presentation to ACD management on a multi-pronged compliance strategy.

In order to increase compliance of activities, ATAR explained the IAU would be primarily responsible for assessing compliance with strategic, operational, and tactical processes and procedures undertaken by the ACD at both headquarters and regional level. As well as identifying unnecessary burdens to trade or procedural inefficiencies, the IAU will be responsible for identifying systematic abuse of existing systems. Where necessary, the IAU will draft revised operating procedures to minimize opportunities for illicit activities and align them with international standards or best practices.

In order to increase compliance of staff, ATAR proposed a PSU with the primary objective of investigating any case with a reasonable suspicion that a staff member is guilty of misconduct. Implementing a PSU will enhance ACD's accountability and capacity and enable the administration to tackle ACD integrity issues effectively and transparently. ATAR drafted the PSU strategy in the last quarter of 2014.



The PSU, IAU, and PCA are independent functions but exchange information.

To assist in the overall risk management compliance strategy ATAR started work on assisting

ACD in developing a professional Post Clearance Audit (PCA) function. The primary purpose of PCA is to confirm that compliance exists following an audit of a customer's processes, systems, and procedures. Such audits are often targeted at larger, international companies and undertaken at a customer's place of business – often the main headquarters in Afghanistan.

ACD agreed with ATAR's proposed three-silo strategy in principal and welcomed additional workshops where appropriate and submission of associated policy proposals. Toward the end of this reporting period, the Director General tasked three ACD officials to review the Dari translations of the PSU policy and associated procedural manual.

8. Implement Outreach Programs

Once the PSU is operational at ACD, ATAR will work with ACD to develop an outreach campaign to trader and the public. This will include identifying appropriate reporting mechanisms so that any suspect activity can be reported to the PSU in confidence.

ATAR will propose such reporting should include a dedicated telephone line, a standard reporting template linked to the ACD website, and a dedicated email address. ACD could use the National Anti-Smuggling Hotline for this purpose as well as reporting smuggling activities upon the hotline's reactivation. Reporting mechanisms will be made available to all stakeholders, including ACD staff, other government departments, traders, and the public.

9. Support Streamlined Customs Procedures

ATAR customs specialists in the regions and at HKIA and Kabul ICD continued to monitor the current number of procedures at ICDs compared to ACD's national blueprint for streamlined import procedures. ATAR observed that extra steps have been implemented at various locations. ATAR continued discussions with regional management to remove those additional steps and return to the agreed national blueprint. Though some progress has been made in reversing some of these additions through discussions with regional management, intervention by ACD's Director General may be necessary in some cases.

Going forward, ATAR will compile a weekly summary of streamlined procedure compliance for ICDs at Kabul, HKIA, Jalalabad, Herat, and Hairatan for ACD senior management. This summary will include an annex that identifies exactly which steps are non-compliant and the reasons why

10. Support ANCA

After helping ACD obtain access to WCO's E-Learning site in 2014, ATAR tried to support ANCA in using the WCO E-Learning materials. At the present time, ACD lacks a reliable Internet connection for ANCA to fully implement WCO E-Learning.

ATAR also assisted in the delivery of English language courses at the beginning of the year, but stopped due to the security situation. In the first half of February, ATAR delivered two trainings to ANCA trainers

on how to develop presentation templates and themes. This included the creation and use of appropriate visual aids, such as graphs and charts within PowerPoint.



ATAR delivered a presentation skills course to ANCA trainers and assisted ANCA in delivering English language courses.

ATAR continued developing training materials through the quarter. ATAR:

- Finalized training modules on basic valuation and valuation fraud and is translating the modules into Dari.
- Finalized the professional standards awareness training. ATAR has proposed that this is mandatory for all ACD staff.
- Began developing a Mobile Verification Team training course, including container and fright examination, vehicle examination, questioning and interviews, body language, team working, and team building.
- Began developing an airport training module for customs officers at the request of the Balkh Regional Director; this module can be used independently or as part of the customs enforcement curriculum.
- Began developing a train-the-trainers presentations skills course. Those who successfully pass the train-the-trainers course will attend an ATAR workshop so they can deliver the training modules being developed.
- Continued drafting an instruction manual for the ANCA shared drive and version control of documents, updating course material, and drafting new training materials.

11. Enhance the Development of Post Clearance Audit

ATAR met with ACD's Director of Operations and the PCA Team Manager to assist in the drafting of a gap analysis detailing the current status of Afghanistan's PCA and what is required to meet international best practices. In March, ATAR drafted the comprehensive gap analysis on PCA and delivered of a full-day workshop on the subject to PCA headquarters staff, the Director of PCA, and the Director of the Risk Management Unit.

About 90 ACD staff in the headquarters and provinces are performing activities under the umbrella of PCA. These activities relate more to transactional audit verification than PCA. Further, these audits are undertaken prior to the goods actually being released by the ACD.

PCA allows ACD to build confidence in a customer's internal operating procedures to identify his or her own compliance with relevant laws and procedures. As such, if a company has robust measures in place to ensure they follow all rules, then there is a better chance they will be voluntarily compliant. Once appropriate confidence is secured following the audit, ACD can then significantly reduce intervention controls for that particular trader. As these companies account for a large percentage of imports, ACD can focus their frontier efforts on the smaller percentage of traders that are less likely to be compliant.

12. Strengthening the TIR and Transit Regimes

TIR

During this quarter, ATAR worked with the International Road Transport Union (IRU) and Afghan stakeholders to finalize the program for a Transports Internationaux Routiers (TIR) roundtable to be held on April 20 and a national TIR workshop to be held on June 7-8 and prepared a presentation on "Recommendations for TIR Re-Activation in Afghanistan".

What is TIR?

TIR is a customs transit system that simplifies the movement of cargo across at least one international border. The principles and guidelines for implementing TIR are described in the TIR Convention 1975. In September 2013, TIR was reactivated in Afghanistan after three decades of suspension.

In consultation with stakeholders, ATAR launched preparation of a draft case study on the first TIR outbound shipment from Torkham to Almaty to publicize the first successful TIR shipment by an Afghan operator.

13. Enhancing ACD Performance

During March, ATAR developed a list of data required from ACD that would enable the evaluation and comparison of the performance of ACD's customs offices.

Based on best international practices, there are about 120 indicators that need to be considered for customs evaluation. ATAR requested ACD provide the following data: a detailed budget on customs lines; trade statistics such as imports, exports, declarations, and revenue; transit statistics; statistics on physical inspections; number of containers of imports/exports; number of procedures; formal risk assessment reports; audit reports; customs investigation reports; number of documents available on intranet/internet; statistics on manifest in electronic format; customs warehouses reports; and number of customs complaints.

To date, ATAR collected import, export, and revenue statistics that can be used as the basis for 8 to 10 indicators, which are relevant to about 25 percent of the total customs evaluation. ATAR will collect other

data based as available based on meetings with the Director General and heads of relevant departments.

14. Enhancing ACD Human Resources Department

ATAR met with the Director General and agreed the terms of reference for the an international human resources advisor in support of ACD, but position was later cut due to budgetary restraints.

Component 3: Looking Forward

- Continue regional work with ACD
- ACD, ATAR, DAB and USAID to meet to progress the full implementation of e-payment
- Continue to assist ACD in reviewing regulations and procedures, including warehousing and licensing regulations
- Continue to support ANCA in reviewing training material and developing new material
- Continue to support ANCA to deliver English language courses if the security situation allows
- Continue implementation of the enforcement plan
- Implement the weekly compliance snapshot template and start providing ACD management with weekly compliance and performance data
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency
- Following a request from the Balkh Regional Director, provide local assistance for one week at the Mazar International Airport include identifying opportunities for streamlining import procedures, improving risk management operations, and gaps in training skills
- Develop airport training course for customs officers at Mazar International Airport.
- Discuss with ACD the timeline and activities for the implementation of an IAU and PSU
- Once the PSU and IAU policy papers are agreed and approved, draft relevant training modules for staff within both units
- Draft and submit a post-clearance audit gap analysis.
- Start the development of relevant policies, procedures, and training materials in support of implementing a professional post clearance audit function
- Provide technical assistance to ACD in TIR and Transit
- Continue to draft appropriate modality assessment for collection of customs revenue in Pakistan
- Develop training modules in management and leadership skills

F. ACTIVITY IMPLEMENTATION[8]

ATAR Project Objective: Improved trade environment for Afghanistan, fostering increased investment, export, and market-based employment opportunities

USAID Afghanistan DO1: Sustainable, Agricultural-led Economic Growth Expanded
USAID OEG Afghanistan Mission PMP IR 1.1: addressed: Employment Opportunities
USAID OEG Afghanistan Mission PMP Sub-IR 1.1.4: addressed: Regional Trade Increased

USAID Afghanistan DO3: Performance and Legitimacy of GIROA Improved
USAID OEG Afghanistan Mission PMP IR 3.1: addressed: Citizens Hold the GIROA Accountable
USAID OEG Afghanistan Mission PMP Sub-IR 3.2.2: addressed: Policies and Procedures Improved

Indicator Table[9]

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical Transition Period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit)	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO)	$3.2 billion in first six months of 1393 (ACD)	$3.2 billion in first six months of 1393 (ACD)	Tracking only	Trade volume is defined as the licit trade value of goods brought into Afghanistan (import), the value of Afghan goods sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). Total volume of trade in six months of 1393 was $3.2 billion based on ACD data, including imports ($3 billion) and exports ($276 million).

[8] See Annex A for USAID's Afghan Info report for supplemental information on ATAR activities.

[9] Annual statistics gathered by GIROA are reported according to the Afghan solar calendar, in which 1391 covers March 2012 to March 2013; 1392 covers March 2013 to March 2014; and 1393 covers March 2014 to March 2015.

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
2	Growth in (real) gross domestic product (GDP) per capita	Outcome/ Impact Required by Prime Contract	By sector	CSO, World Bank Report	Annual	$21 billion in 1391(CSO)	$21.2 billion in 1392 (CSO)	$21.2 billion in 1392 (CSO)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Annual percentage growth rate of GDP per capita based on constant local currency. GDP per capita is gross domestic product divided by midyear population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Note: Based on a CSO report, the total value of Afghanistan's GDP in 1392 was $21.2 billion.
3	Foreign trade (X-M) as a percentage of GDP	Outcome/ Impact Required by Prime Contract	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank)	Import 47% Export 6% 2013 (World Bank)	Import 47% Export 6% 2013 (World Bank)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT.Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. Note: This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP).	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported next quarter	Will be reported next quarter	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
5	Export	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$276 million in first six month of 1393 (ACD)	$276 million in first six month of 1393 (ACD)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. Disaggregation by country: Pakistan = $80 million India = $51 million Turkey = $19 million UAE = $11 million Iran = $6 million China= $5.9 million Iraq = $2.8 million Turkmenistan = $1.8 million Others = $98.5 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
6	Import	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$3 billion in six months of 1393 (ACD)	$3 billion in six months of 1393 (ACD)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. **Note:** Based on ACD's data for six months in 1393, total value of Afghanistan imports was $3 billion. **Disaggregation by country:** Pakistan = $517 million China = $517 million Iran = $448 million Turkmenistan = $215 million Japan = $168 million Uzbekistan = $163 million Kazakhstan = $151 million Malaysia = $136 million United Arab Emirates = $87 million Russia = $84 million India = $75 million Others = $443 million
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2015)	184 (Doing Business Annual Report 2015)	Tracking only	The World Bank Doing Business report presents quantitative indicators compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2015 report, Afghanistan is ranked 184 out of 189 countries.
8	Ease of Doing Business rank	Outcome/Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	183 (Doing Business Annual Report 2015)	183 (Doing Business Annual Report 2015)	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small- to medium-sized business when complying with relevant regulations. Based on the 2015 report, Afghanistan is ranked 183 out of 189 countries.

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
9	Number of public policies introduced, adopted, repealed, changed or implemented consistent with citizen input	Outcome/ Impact USAID requested indicator	Policies introduced Policies adopted Policies repealed Policies changed Policies implemented	Project/ program documents, direct observation, analysis of secondary data and third-party observation (i.e. monitoring of public policy by local NGO)	Annual	0	0	0	Tracking only	Public policies include any law, regulation, policy or similar directive that is formally adopted by either the legislative branch or a unit of the executive branch at any level.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
10	Reduction in discrepancy between the Central Statistics Office and the ACD on trade statistics	Output USAID requested indicator	N/A	CSO/ACD	Annual	27%	15%	15%	10%	The difference between values reported by ACD and CSO divided by the average of the two values, shown in percentage. Note: Based on trade statistics data from ACD and CSO for 1393, the overall discrepancy was 15%, which is better than the target of 20% for the year.
PIR 1.1: WTO accession process finalized										

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
11	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarter-ly	0	15	3	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement. 1. Law on plant protection and plant quarantine submitted to the Council of Ministers by MOJ 2. Law on animal health and veterinary public health submitted to MOJ by MAIL 3. Law on indication of production place submitted to Council of Ministers by MOJ 4. Law on trademarks approved by Council of Ministers and submitted to Parliament 5. Amendments to the 2005 customs law submitted to Council of Ministers by MOJ 6. Amendments to the patents law submitted to Councils of Minister by MOJ 7. Procedure on intellectual property border enforcement submitted to the Minister of Finance for signature. 8. Procedure on intellectual property border enforcement adopted and came into force on April 12, 2014 9. Draft copyright law submitted on July 27, 2014, by MOJ to the Council of Ministers. 10. Draft law on animal health and veterinary public health submitted by MAIL to MOJ 11. Draft law on indication of production place submitted to the Parliament in Oct. 11, 2014 12. Draft law on trademarks approved by Lower House and submitted to Upper House of Parliament in Oct. 29, 2014 13. Trademark law approved by Upper House. 14. Trademark law endorsed by President. 15. Topography of integrated circuits law sent to MOJ.

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
12	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quart-erly	0	7	7	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR. The reforms in the project's results are: 1. Institutional proposal accepted by MOCI for establishing a safeguard unit 3. Five ISO mirror committees established: petroleum products and lubricants; food products; textiles; gas cylinders; concrete, reinforced concrete and pre-stressed concrete 3. Mechanism for coordination and cooperation between ANSA and other government entities on enquiry/notification

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
13	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quarterly	0	29	8	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level with ATAR support. This mainly refers to the first draft finalized at the Ministerial level. 1. Twelve procedures related to food safety drafted and agreed by working group at MOPH. 2. Three procedures related to food safety law drafted and agreed by working group at MOPH during December 2014 to 31 March 2015. 3. Draft regulations for implementing law on animal health finalized 4. Seven procedures for implementing the law on animal health prepared by the working group at MAIL 5. Draft regulations to implement law on plant protection and quarantine prepared by working group at MAIL 6. Five additional procedures implementing the law on animal health prepared by the working group at MAIL during period Nov. 2014-March 2015
PIR 1.2: WTO implementation process developed and executed										
14	Number of public events held to discuss trade and business policy matters with stake-holders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	166 events (participants include 1,414 males, 300 females)	85 events (850 participants include 711 males, 139 females)	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, roundtable discussions, and other trade gathering.

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Month-ly	0	25	5	30	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses. 1. WTO awareness seminar for MOJ in February 2014 2. Awareness about regional opportunities (Dushanbe business-to-business event) June 2014 3. Fourteen awareness events about food control authority and the legal authority contained in the draft food law and its supporting regulations 4. Three events in October 2014 on building awareness of trade opportunities under CATF and World Food/Almaty 5. SPS awareness seminar at MAIL (Feb. 2014) 6.Awareness training seminar on trademarks for the private sector (Feb. 2015) 7. Awareness training seminar on procedures for trademark registration for the private sector (Feb. 2015) 8.Awareness training seminar on trademarks for the legal community (Feb. 2015) 9.Two training seminar on geographical indications for the private sector (March 2015)

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator Output USAID requested indicator	Province	Project records	Quart-erly	0	15	2	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and trade opportunities. 1. Document for President Karzai office on WTO 2. Presentation developed for WTO awareness seminar for MOJ 3. Awareness materials on TIR 4. Copyrights general pamphlet 5. Copyrights music pamphlet 6. Copyrights publishers pamphlet 7. Copyrights awareness article 8. Educational materials on indication of production of place 9. Presentation to educate Tajik public and private sector about APTTA 10. Note to President Ghani on Afghanistan's WTO Accession 11. Strengthening food safety in Afghanistan 12. Good hygiene practices for businesses 13. SPS agreement awareness power point 14. Note for President Ghani re bilateral trade issues with Pakistan 15. Note for President Ghani re transit trade issues with Pakistan
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
17	Change in public perception toward trade	Outcome/Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey	TBD from perception survey	TBD from perception survey	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders.
PIR 2: Regional and global integration enhanced										

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<table>
<tr><th>#</th><th>Indicator</th><th>Indicator Type</th><th>Disaggregation</th><th>Data Source</th><th>Timing</th><th>Baseline</th><th>Project Achievement from Start (Nov. 2013 to March 2015)</th><th>Project Achievement from Nov. 2014 to March 2015</th><th>Life-of-Project Target</th><th>Notes</th></tr>
<tr><td>18</td><td>Percentage share of trade with regional partners</td><td>Outcome/Impact

USAID requested indicator</td><td>Country</td><td>National statistics of respective countries</td><td>Annual</td><td>TBD</td><td>See the notes column</td><td>N/A (to be provided end of 2015)</td><td>Tracking only</td><td>This indicator will capture the share of Afghanistan's trade with regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan.
<table>
<tr><th rowspan="2">Country</th><th colspan="2">2013</th><th colspan="2">2014</th></tr>
<tr><th>Import</th><th>Export</th><th>Import</th><th>Export</th></tr>
<tr><td>India</td><td>2,5</td><td>22.5</td><td>2.2</td><td>27.6</td></tr>
<tr><td>Kazakhstan</td><td>3.7</td><td>0.4</td><td>5.6</td><td>0.8</td></tr>
<tr><td>Kyrgyzstan</td><td>0.1</td><td>0.0</td><td>0.2</td><td>0.0</td></tr>
<tr><td>Pakistan</td><td>21.1</td><td>35.4</td><td>19.2</td><td>32.9</td></tr>
<tr><td>Tajikistan</td><td>0.7</td><td>2.4</td><td>0.3</td><td>5.9</td></tr>
<tr><td>Turkmenistan</td><td>9.3</td><td>3.0</td><td>6.6</td><td>1.3</td></tr>
<tr><td>Uzbekistan</td><td>5.3</td><td>1.9</td><td>5.6</td><td>0.5</td></tr>
</table></td></tr>
<tr><td colspan="11">Sub-IR 2.1: Enabling environment for enhanced access to regional markets established</td></tr>
</table>

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
19	Number of signed initiatives on regional integration (Disaggregated by signed and launched)	Output USAID requested indicator	Type of initiative	Project records, MOCI	Quart-erly	0	6	2	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support. 1. Transit and Transport Agreement with Azerbaijan launched 2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers of Afghanistan 4. Trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan launched 5. Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA) 6. India allowed Afghan trucks to unload cargo in Indian territory

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
20	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	14	7	24	This indicator will capture the number of interactions and dialogues between businesses and government organizations in the region on policy reform issues. 1. Two trade facilitation workshops in the Kyrgyz Republic in April and June 2014 2. A session during the Dushanbe business-to-business event related to policy reform involving businesses and government representatives 3. A session led by MOCI/EPPA on March 19, 2014, with women businesses 4. A session at MOCI on July 16, 2014, regarding para-tariffs under SAFTA 5. A session at MOCI on July 17, 2014, regarding issues related to rules of origin 6. Session on regional trade challenges and practices under an export development course in the Kyrgyz Republic in May 2014 7. Two roundtables in Kabul with private sector to discuss problems related to APTTA 8. Transport and Logistics workshop held in Kyrgyzstan on Dec 22, 2014 9. Three public-private roundtables in Dushanbe on PATTTA in Feb. and March 2015 10. One public-private forum in Bishkek re the WTO TFA in March 2015

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
21	Number of proposals discussed to harmonized customs procedures or documents on transit corridors	Output USAID requested indicator	BCP	ATAR project records	Annual	0	9	9	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays. ATAR launched a number of customs harmonization initiatives, including risk management and post clearance audit, that are ongoing. 1. Memorandum on information exchange and trade facilitation between Afghanistan and Tajikistan 2. Memorandum on mutual exchange of risk management information in customs mattes (Afghanistan, Kyrgyz Republic, and Tajikistan) 3. Modality for single border stop between Afghanistan and Pakistan 4. Recommendations for conformity with WTO TFA in Afghanistan 5. Recommendations for conformity with WTO TFA in Afghanistan 6. Recommendations for conformity with WTO TFA in Kyrgyz Republic 7. Recommendations for conformity with WTO TFA in Tajikistan 8. Recommendations for conformity with WTO TFA in Turkmenistan 9. Recommendations on advance rulings in Kyrgyz Republic

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
22	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/ gender	Project records, EPPA	Month-ly	0	663 firms	330 firms	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR. ATAR helped build the capacity of 645 firms, as detailed below: • June 2014 Dushanbe business-to-business event: 45 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, • 107 businesses from Dushanbe business-to-business event • July 2014 EPAA seminar series on market research and international markets: 10 • July 2014 seminar series on global logistics: 8 • October 2014 training and roundtables to prepare for participation in CATF/World Food: 13 • February/March 2014 preparatory meetings for CABOC in Afghanistan: 40 • 20 business attended two trainings on export in Kabul • 110 business attended TIR conference in Kyrgyzstan • 81 businesses attended two roundtables and one seminar on export credit • 7 businesses were assisted to participate in Domotex • 15 businesses participated in India Stone Mart • 9 businesses were assisted to participate in Gulfood • 9 business participated in Aahar exhibition • 10 business were trained on Letter of Guarantee (LOG) • 5 businesses were assisted to participate in World Food Exhibition in Kazakhstan in Nov. 2014 • 13 **businesses** were assisted to participate in a craft selling exhibition in Italy • 51 businesses comprising of businesses and government officials participated in TIR awareness seminar in Kabul

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
Sub-IR 2.2 Benefits from enhanced market access expanded										
23	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	$ 1,580 Corridor 5, $ 719 Corridor 6	$2,393 Corridor 5 (2013)	$2,393 Corridor 5 (2013)	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included.
24	Number of laden vehicles crossing Afghanistan border in each direction	Outcome/ Impact Required by Prime Contract	By Torqundi, Hairatan, Sher khan Bandar, Torkham and Weish	ACD	Annual	(As of 2012) Hairatan: 66,851Imports 2,734 Exports Torqundi: Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Will be reported next quarter	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
25	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$157 (2012)	$235 (2013)	$235 (2013)	Tracking only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
26	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million 1392	$875 million 1392	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses.
PIR 3.1: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										
27	Number of permanent professional positions allocated for women within ACD that have been staffed	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarter -ly	77	1 (58 ACD)	0	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
28	Number of female interns completing a six-month internship in ACD	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	0	0	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months. 1. For the period Nov 13 – Sep 14, 2 female interns were appointed. 2. For the period Jan – Mar 2015, no interns were employed. The next intern campaign will be during the period May – June 2015.

<table>
<tr><th>#</th><th>Indicator</th><th>Indicator Type</th><th>Disaggregation</th><th>Data Source</th><th>Timing</th><th>Baseline</th><th>Project Achievement from Start (Nov. 2013 to March 2015)</th><th>Project Achievement from Nov. 2014 to March 2015</th><th>Life-of-Project Target</th><th>Notes</th></tr>
<tr><td>29</td><td>Average number of days required to trade goods across borders (average of export/import time)</td><td>Outcome/Impact

Required by Prime Contract</td><td>Province</td><td>ACD World Bank Doing Business report</td><td>Annual</td><td>Herat:
6 hours
17 minutes
Hairatan:
3hrs
43 minutes
Jalalabad
4 hours
18 minutes
Sher Khan Bandar:
2 hours
13 minutes
Aquina:
3 hours
21 minutes</td><td>Herat:
3 hours and 30 minutes
Hairatan:
2 hours
40 minutes
Jalalabad
3 hours
30 minutes
Shir Khan Bandar:
2 hours
30 minutes
Aquina:
2</td><td>Average
Herat:
1 hour and 35 minutes
Hairatan:
1 hour
33 minutes
Jalalabad
1hours
55 minutes
Shir Khan Bandar:
1 hour
37 minutes
Aquina:
1 hour and 27 minutes</td><td>2 hours</td><td>This Sub IR indicator is from the World Bank's annual Doing Business report (see the indicator table in the back of the publication). It is a component of the "trading across borders" section, and is comprised of the components called "time to export (days)" and "time to import (days)"
<table>
<tr><th>ICD</th><th>Green</th><th>Yellow</th><th>Red</th></tr>
<tr><td>Mazar (Balkh ICD)</td><td>1hr</td><td>1hr 30min</td><td>2hr 10min</td></tr>
<tr><td>Aquina ICD</td><td>50min</td><td>1hr 30min</td><td>2hrs</td></tr>
<tr><td>SKB</td><td>1hr</td><td>1hr 20min</td><td>2hrs 30min</td></tr>
<tr><td>Herat</td><td>45min</td><td>1hr</td><td>3hrs</td></tr>
<tr><td>Jalalabad</td><td>1hr 33min</td><td>1hr 50min</td><td>2hrs 30min</td></tr>
<tr><td>HKIA</td><td>40min</td><td>56min</td><td>1hr 6min</td></tr>
<tr><td>Kabul ICD</td><td>50 min</td><td>1hr 13 min</td><td>1hr 45min</td></tr>
</table></td></tr>
<tr><td>30</td><td>Number of documents required to export/import goods across borders decreased as a result of USG assistance</td><td>Outcome/Impact

Required by Prime Contract</td><td>Import, export</td><td>The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers</td><td>Annual</td><td>10 Import/ 10 Export (World Bank Doing Business report 2014)</td><td>10 Import/ 10 Export (World Bank Doing Business report 2015)</td><td>10 Import/ 10 Export (World Bank Doing Business report 2015)</td><td>Tracking only</td><td>Reduction in the number of documents required to trade goods across borders as imports or exports; change in the total number of documents required as per World Bank Doing Business Indicator, confirmed by the Mission. Reducing the number of different documents required in cross border trade is key to maximizing the improved efficiency that trade generates as a basis for faster economic growth and poverty reduction. Business report. Based on the 2015 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.</td></tr>
</table>

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
31	Time to export/ import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. The time necessary to comply with all procedures required to export goods. If a procedure can be accelerated for an additional cost, the fastest legal procedure is chosen. Doing Business compiles procedural requirements for exporting a standardized cargo of goods by ocean transport. Documents associated with every official procedure are counted—from the contractual agreement between the 2 parties to the delivery of goods—along with the time and cost necessary for completion. For exporting goods, procedures range from packing the goods at the warehouse to their departure from the port of exit. The time and cost for ocean transport are not included. Payment is made by letter of credit, and the time, cost and documents required for the issuance or advising of a letter of credit are taken into account. The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators.
32	Number of customs systems in line with international best practices adopted	Outcome/Impact USAID requested indicator	ICD	ATAR project records	Annual	0	6	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline. 1) Simplified Procedures is constantly being reported on. It has been proposed that a review takes place due to the implementation of ASYCUDA World. 2) Post Clearance Audit has not been implemented under international best practice. ATAR is supporting ACD, through a STTA, to assist in this area. 3) E-Payment is not fully implemented but should be later this year. 4) ATAR has submitted an implementation paper for a Professional Standards Unit 5) ATAR has submitted an implementation paper for an Internal Audit Unit 6) National Hotline is being reviewed by ATRA / ACD and should be reactivated later this year.

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#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
33	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	0	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management. Note: This will be a priority in the next period. ATAR will undertake an informal review of the current systems in place for risk profiling, risk management profiles (part of internal audit unit review to improve internal compliance), risk registers etc.
34	Number of training modules developed by ATAR	Outcome/ Impact USAID requested indicator	None	ATAR project records	Annual	0	8	5	45	This indicator captures number of modules ATAR developed in support of ANCA 1. Basic Risk Management 2. Intermediate Risk Management 3. Risk Profiling 4. Valuation Fraud 5. Valuation (Basic) 6. Professional Standards 7. PCA Awareness / Implementation 8. Compliance for Senior Management
35	Revenue collection by electronic means	Outcome/ Impact USAID requested indicator	ICD	ACD	Annual	0	0	0	75%	The collection of revenue by electronic means relates to the amount of ICDs that have ASYCUDA and the percentage of declarations processed through ASYCUDA compared to the total of declarations received at all ICDs.
36	Person hours of training completed in trade and investment enabling environment supported by USG assistance	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	99 trainings (1,849 participants including 1,558 male and 291 female) 1,4631 person days of training	33 trainings (625 participants including 515 male and 110 female) 5,330 person days of training	120 trainings/ 1,200 participants	This indicator uses the following equation to express the number of USG-supported training hours that were completed by training participants: Hours of USG supported training course x Number of people completing that training course Support from the USG: This indicator counts training hours that were delivered in full or in part as a result of USG assistance. This could include provision of funds to pay teachers, providing hosting facilities, or other key contributions necessary to ensure training was delivered.
Cross-Cutting Indicators										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
37	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarter-ly	0	7	0	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator. 1. Consultative meeting on Feb. 22 with fruit and vegetable businesses 2. Consultative meeting on March 3 with handicraft, carpet, gemstones, and marble businesses 3. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 4. Consultative meeting with KCCI regarding customs valuation practices 5. Working group for development of implementing regulations for food safety law 6. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment 7. Working group on developing implementing legislation for the law on animal health
38	Person-days of training of key personnel in trade and customs regulation	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	30 days	58 days	70 days	Government, private sector participants, days, hours in trainings of trade and customs regulation. Note: All events that ATAR conducts are trade-related for this indicator ATAR just considers customs events.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov. 2013 to March 2015)	Project Achievement from Nov. 2014 to March 2015	Life-of-Project Target	Notes
39	Number of laws, policies, or procedures drafted, proposed or adopted to promote gender equality at the regional, national or local level (GNDR-1)	Output USAID requested indicator	By law, policy, or procedure	project/program reporting	Annual	0	New indicator	0	Tracking only	Any law, policy, or procedure designed to promote or strengthen gender equality at the regional, national or local level, which was developed or implemented with USG assistance. To be counted, the law, policy, or procedure should have as its objective or intent one or more of the following: reducing an aspect of social, economic, or political inequality between women and men, girls and boys; ensuring that women and men, girls and boys, have equal opportunities to benefit from and contribute to social, political, economic, and cultural development; to realize their human rights; or to have access to/control over resources necessary to survive and thrive; or preventing gender-related discrimination or compensating for past gender-related discrimination or historical disadvantage. A law, policy, or procedure may be designed to promote or strengthen gender equality at regional, national, sub-national, or community levels, and affect either formal or informal groups or institutions. Illustrative examples for this indicator include but are not limited to: • Laws—USG assistance for civil society to draft and advocate for passage of a law eliminating a barrier to women's effective political participation. • Policies—USG support for adoption of a comprehensive policy on sexual harassment by the local police force. • Procedures—USG assistance for host government agency implementation of procedures for gender-sensitive survey design and data collection. Indicator narratives should include the name of the law, policy or procedure and should specify whether it was developed or implemented at the regional, national, sub-national, or community level (e.g. draft law on public financing for women political candidates developed by national civil society, municipal police force begins systematic implementation of existing policy to provide joint male-female patrols in critical areas, etc.). Items counted may include regulations, constitutional amendments or components, provisions to peace agreements, or other provisions designed to carry the force of law, official mandate, or authority.Numerator: Number (count) of relevant laws, policies, and procedures developed or implemented with USG assistance during the reporting period. Operating units may count a law, policy, or procedure only once in each stage of development or implementation; operating units may not report on the same law, policy, or procedure across multiple reporting periods unless it has advanced to the next stage (e.g. law drafted in one reporting period, law presented for legislative action in the next reporting period).

G. COLLABORATION

Links with relevant GIRoA ministries

ATAR's success is dependent on its close relationship with GIROA, specifically ACD, MOCI, MOJ and other ministries relevant to Afghanistan's WTO accession. ATAR had staff embedded at MOCI, MOJ, and EPAA to work with staff regularly.

Due to security restrictions, ATAR's expat staff was unable to embed at ACD. However, the expatriate staff conducted meetings and short visits where possible and relied on local staff who remained embedded at ACD as necessary.

ATAR worked closely with relevant ministries and related entities during the quarter, including MAIL, MOPH, and ANSA, conducting meetings, trainings, and working groups to ensure that government officials were part of the decision-making process and had a thorough understanding of topics such as WTO activities (including draft laws, regulations, and procedures) and international standards.

Links with other donor agencies

In support of the project's activities in Central Asia, ATAR continued to work with donor agencies including UNDP, GIZ and its Regional Trade Facilitation project, and the World Bank. In Afghanistan, ATAR worked with EPAA to promote the idea of the export fund and presented the concept to Harakat, an Afghan non-profit organization, as well as the IFC and the DFID.

Links with other USAID projects

In Central Asia, ATAR co-located with USAID's REC project at the Chemonics' office in Tashkent, Uzbekistan, and continued to work with REC on regional trade activities.

In Afghanistan, ATAR liaised with USAID's CHAMP in supporting Afghanistan's participation in Gulfood and researching trade and transit issues with Pakistan. ATAR also worked with FAIDA to hold a trade finance roundtable in March.

H. MANAGEMENT AND ADMINISTRATIVE MATTERS

Personnel

As a result of temporary budgetary restrictions, the Component 1 Team Manager position remained open. Recruitment for Component 1, Component 2, and Component 3 Deputy Team Managers is ongoing.

Adaption of the activity

No major changes to the project's statement of work were made during the reporting period.

Modifications and Amendments

There were no modifications or amendments to the contract.

ANNEX A: SNAPSHOTS

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SNAPSHOT

Afghan Produce Scores $2.3 Million in Deals

Afghan agri-businesses signed $2.3 million in contracts with buyers from across the world at Gulfood in Dubai.



Mr. Mohammad Nawab Azimi of Benazir Saffron talks with potential buyers who examine his company's saffron.

"This is the best and biggest opportunity for Afghan traders, because there are people from all over the world," said Mr. Mohammad Nawab Azimi, who participated in Gulfood for the third time.

U.S. Agency for International Development
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Afghanistan's fruit, saffron, and nuts won over taste buds at an international exhibition, impressing buyers to the tune of $2.3 million in confirmed deals with buyers hailing from countries as diverse as Sweden and Syria to Italy and India.

With support from USAID and the Export Promotion Agency of Afghanistan (EPAA), 16 Afghan traders, including two women, displayed their agricultural products at Gulfood from Feb. 8-12 in Dubai. Gulfood, the world's largest annual food and hospitality trade show, attracted almost 4,800 exhibitors and about 85,000 visitors – linking buyers and sellers from more than 100 countries.

"This is the best and biggest opportunity for Afghan traders, because there are people from all over the world," said Mr. Mohammad Nawab Azimi of Benazir Saffron.

He said his company signed deals with buyers in France and South Korea and has potential deals with India and Oman. He said Gulfood allows Afghan companies like his to prove the quality of their produce to a wide audience from lucrative markets.

"Our main problem is that we cannot travel to other countries for marketing – cost-wise and because of visa problems," said Mr. Azimi. "This Gulfood is an opportunity to bring all traders from around the globe together."

The traders took in displays of brands such as Heinz and Del Monte to learn about marketing and visited Dubai's wholesale markets to make deals and understand buyer requirements.

"Since we are new to these global events, we have some challenges," said Ms. Sana Siddiqi of the Kaweyan Export Import Co. "The things that we see from other countries we learn and we implement our learning in future activities, such as packaging, dealing with clients, decorating our booth, so in the future we are competitive with the others."

The companies are following up on $5.9 million in potential deals, with one trader in talks with a major regional supermarket chain for the upcoming fruit season. USAID and EPAA surveyed the traders to record deals and will help them execute and pursue orders.

USAID | AFGHANISTAN
FROM THE AMERICAN PEOPLE

SNAPSHOT
Traders Snag Millions in Carpet Deals

Afghan carpet producers scored $3.6 million in deals at a carpet show and are pursuing millions more in possible deals.



Visitors at Domotex in Hannover, Germany, admired Afghan carpets on display.

"I don't want the benefit to go just to me," said Mr. Hafeezullah Rahman Qul. "I want the benefit to go to the women who make the carpets too, so they can be part of Afghanistan's economy."

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Seven of Afghanistan's carpet producers signed $3.6 million in deals with buyers from the United States, Turkey, and Europe at a carpet exhibition in Germany in January, and they are working on concluding millions in potential deals.

Domotex, a flagship fair for carpets and floor coverings, offered Afghan companies the opportunity to showcase their carpets to the world. About 40,000 visitors visited the booths of more than 1,300 exhibitors from 63 countries, including Afghanistan.

"With Afghan participation in Domotex, carpet exports this year will experience a good upward trend," said Ms. Najlla Habibyar, the chief executive officer of the Export Promotion Agency of Afghanistan (EPAA), which promotes Afghan products by supporting traders' participation in international exhibitions such as Domotex.

In addition to scoring millions of dollars in deals at the event, two of the Afghan companies were nominated for the award of best traditional carpet design. However, the success wasn't a surprise to any of the traders, whose families have been in carpet production for generations.

"Carpets are in my blood," said Mr. Hafeezullah Rahman Qul, the co-owner of Haji Rahman Qul Ansari Ltd. and a fourth generation carpet trader. "I am a doctor of carpets."

Mr. Qul and other participants are filling orders and following up on millions more in potential deals resulting from relationships forged at Domotex. Many deals are signed following such events after the buyer confers with management and negotiates with the trader.

Mr. Qul is hopeful he can hire more workers to meet the high demand he encountered at Domotex. The company now relies on 150,000 women in Afghanistan to make the carpets from start to finish – including shearing wool from sheep, washing and spinning the wool, and weaving the carpets.

"I don't want the benefit to go just to me," said Mr. Qul. "I want the benefit to go to the women who make the carpets too, so they can be part of Afghanistan's economy."

USAID's Afghanistan Trade and Revenue (ATAR) project and EPAA supported Afghanistan's participation in Domotex. EPAA collected information on the participants' deals through a survey designed by ATAR.

ANNEX B: AFGHAN INFO ACTIVITY REPORT

ATAR Activities List in Afghan Info					
Province	**District**	**Village**	**Start Date**	**End Date**	**Activity Description**
Kabul	Kabul	Kabul	5-Jan-15	6-Jan-15	ATAR held a training explaining the criteria for trademark registration. ATAR delivered the training to staff of the trademark section of the MOCI's ACBR-IP.
Kabul	Kabul	Kabul	1-Jan-15	15-Jan-15	ATAR assisted ACBR-IP in developing awareness materials for trademark registration.
Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR worked with MOJ and MOPH to review the draft food safety law and the procedures that will support implementation of the law.
Kabul	Kabul	Kabul	1-Jan-15	15-Jan-15	ATAR assisted MOJ's Finance and Economic Department in conducting three working group meetings to review the draft law, which MOPH has submitted to MOJ for further legislative processing.
Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR assisted MOPH in conducting four working group meetings to review procedures on food category systems to support the food safety law.
Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR assisted MAIL's Animal Health Directorate in conducting four working group meetings to review procedures related to the veterinary control of import and export regulation.
Kabul	Kabul	Kabul	27-Jan-15	27-Jan-15	ATAR assisted MAIL's Animal Health Directorate in conducting a seminar regarding the regulation of animal health for the directorate's technical staff.
Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR worked closely with ANSA to design a certification mark for export products and internally manufactured products that meet standards and requirements.
Kabul	Kabul	Kabul	7-Jan-15	7-Jan-15	ATAR conducted a workshop on ISO 17025, which details the requirements for the competence of testing and calibration laboratories.

Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR held consultative meetings with MOCI's Director General regarding the sustainability of MOCI's TPAU and to discuss continuing capacity building and the education of current personnel.
Kabul	Kabul	Kabul	26-Jan-15	27-Jan-15	ATAR held two trainings at the CSO.
Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR collected preliminary annual import, export, and revenue data for 2014 from ACD. Preliminary analysis showed that imports to Afghanistan in 2014 increased by 2 percent to 3 percent, but revenue collected by ACD decreased by 8.3 percent.
Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR completed translation in Dari and Pashto of the "Annual Review on Trade Policy" that was prepared by MOCI's TPAU with ATAR support. ATAR is training the TPAU to clean and finalize ACD data for preparation of MOCI's next annual trade review.
Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR facilitates the development and implementation of regional trade agreements.
Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR assisted the Afghan government to support measures needed to implement regional trade agreement.
Pakistan	Pakistan	Pakistan	1-Jan-15	2-Jan-15	In Pakistan. ATAR helped prepare an Afghan delegation for the fifth meeting of the Afghanistan Pakistan Transit Trade Coordination Authority APTTCA in Islamabad. Acting Minister of Commerce and Industries Mozammil Shinwari headed the delegation.
Dubai	Dubai	Dubai	1-Jan-15	31-Jan-15	ATAR supported EPAA in developed its annual work plan, and EPAA submitted the work plan to MOCI for approval.
Kabul	Kabul	Kabul	1-Jan-15	31-Jan-15	ATAR developed a carpet catalogue for this exhibition and assisted EPAA in inserting an advertisement in Hali, an international carpet magazine, to coincide with the show.
India	India	India	1-Jan-15	31-Jan-15	ATAR assisted the Afghan companies and organizations in participating in Stone Mart, which is the largest international exposition on the stone industry.
India	India	India	1-Jan-15	31-Jan-15	ATAR organized a factory visit for eight Afghan marble traders who saw marble cutting and polishing techniques used in India.

Kyrgyz	Kyrgyz	Kyrgyz	25-Jan-15	26-Jan-15	In Kyrgyz Republic, ATAR participated in a two-day CAREC Sanitary and Phytosanitary (SPS) workshop.
Tajikistan	Tajikistan	Tajikistan	1-Jan-15	31-Jan-15	In Tajikistan. ATAR facilitated the deployment of the Tajik delegation to the PATTTA tri-lateral meetings in Islamabad. Following the delegation's return.
Tajikistan	Tajikistan	Tajikistan	1-Jan-15	31-Jan-15	In Tajikistan. ATAR provided a Russian version of a training course on conducting qualitative import risk analyses to the Tajik State Veterinary Inspection Service.
Tajikistan	Tajikistan	Tajikistan	1-Jan-15	31-Jan-15	In Tajikistan. ATAR completed the translation of the assessment of the Turkmen customs code with WTO agreements and the WCO Revised Kyoto Convention and shared the Russian version with USAID/Ashgabat.
Kabul	Kabul	Kabul	10-Jan-15	10-Jan-15	ATAR delivered a train-the-trainers course in gender awareness to seven ANCA trainers.
Kabul	Kabul	Kabul	17-Jan-15	17-Jan-15	ATAR conducted gender awareness for 21 male participants at Afghanistan National Customs Academy.
Kabul	Kabul	Kabul	21-Jan-15	21-Jan-15	ATAR held a training for MOTCA on letters of guarantee.
Kabul	Kabul	Kabul	1-Feb-15	15-Feb-15	In support of implementation of the trademark law, ATAR delivered, in partnership with MOCI's ACBR-IP, two trademark trainings to the private sector and two trademark trainings to the legal community.
Kabul	Kabul	Kabul	8-Feb-15	8-Feb-15	ATAR and ACBR-IP held a one-day training titled "Awareness Training Seminar on Trademarks for the Private Sector."
Kabul	Kabul	Kabul	9-Feb-15	9-Feb-15	ATAR and ACBR-IP held a one-day training called "Procedure for Trademarks Registration" for the private sector.
Kabul	Kabul	Kabul	10-Feb-15	10-Feb-15	ATAR and ACBR-IP held a one-day training called "Trademarks for the Legal Community" to the legal community.
Kabul	Kabul	Kabul	22-Feb-15	22-Feb-15	ATAR delivered a one-day training called "Trademarks for Justices" to six judges, including one woman, and one public prosecutor in Kabul.

Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	In February, ATAR began translation of the Paris Convention for the Protection of Industrial Property, the Madrid Protocol relating to the Madrid Agreement Concerning the International Registration of Marks, and the Singapore Treaty on the Law of Trademarks.
Kabul	Kabul	Kabul	1-Feb-15	15-Feb-15	In the first half of February, ATAR worked with Kabul University to finalize a curriculum for a course called "Afghanistan's Agriculture Import/Export Markets and Plant Health Standards.
Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	ATAR supported MOPH in conducting three working group meetings in February to review the procedure on food category systems to support the draft food safety law. Participants included representatives of MOPH, MOCI, the National Environmental Protection Agency (NEPA), EPAA, ANSA, the private sector, and Kabul University.
Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	During February, ATAR assisted MAIL's Animal Health Directorate in conducting five working group meetings in support of the law on animal health and veterinary public health.
Kabul	Kabul	Kabul	22-Feb-15	22-Feb-15	ATAR facilitated two roundtable discussions in support of the law on animal health and veterinary public health.
Kabul	Kabul	Kabul	23-Feb-15	23-Feb-15	ATAR supported a roundtable for managers of MAIL's Animal Health Directorate and livestock managers on the draft model animal health regulation
Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	ATAR assisted ANSA in developing documentation needed to operate its food testing laboratory, including drafting standard operating procedures (SOPs) based on international standards for specific product tests as well as the procedures for a quality manual in accordance with the International Organization for Standardization (ISO).
Kabul	Kabul	Kabul	18-Feb-15	18-Feb-15	ATAR conducted training on Feb. 18 called "Best Practices of Laboratory Skills and Operations" for 11 technical staff from ANSA's food laboratory, MOPH food laboratory, and MAIL's veterinary laboratory.

Kabul	Kabul	Kabul	2-Feb-15	3-Feb-15	ATAR held four trainings at the Central Statistics Organization (CSO) in partnership with three staff members from TPAU. These trainings focused on the application of software in statistics and analysis to help eliminate discrepancies in the reporting of data by ACD, MAIL, EPAA, and CSO.
Kabul	Kabul	Kabul	9-Feb-15	10-Feb-15	ATAR held four trainings at the CSO focused on the application of software in statistics and analysis to help eliminate discrepancies in the reporting of data by ACD, MAIL, EPAA, and CSO.
Dubai	Dubai	Dubai	8-Feb-15	12-Feb-15	In Dubai, ATAR organized the Afghan pavilion at Gulfood 2015 held from Feb. 8-12 in Dubai. The 16 Afghan participants reported more than $2.3 million in confirmed deals and $5.9 million in potential deals.
Kabul	Kabul	Kabul	1-Feb-15	15-Feb-15	ATAR began working with EPAA to organize a seminar called “Promoting Afghan Exports to South Asia – Opportunities and Challenges” in Kabul.
Kabul	Kabul	Kabul	1-Feb-15	15-Feb-15	ATAR began working with the Federation of Indian Chambers of Commerce and Industry (FICCI), its Central Asian offices, and the Indian Embassy to organize an investment conference in Kabul in September 2015.
Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	ATAR developed the concept of an export fund for EPAA that would provide financial and non-financial benefits to build the capacity of Afghan exporters and help increase Afghanistan’s exports.
Kabul	Kabul	Kabul	18-Feb-15	18-Feb-15	ATAR conducted a roundtable on the fund for representatives from MOCI and EPAA. Based on the recommendation of the participants, ATAR also worked with EPAA to promote the idea and presented the concept to Harakat, an Afghan organization that works to improve Afghanistan’s business environment.
Kazakhstan	Kazakhstan	Kazakhstan	8-Feb-15	10-Feb-15	In Almaty, Kazakhstan, ATAR participated in a wheat flour vitamin fortification working meeting in Almaty Kazakhstan, on Feb. 8- 10 with the USAID Mission for Central Asia and the Global Alliance for Improved Nutrition (GAIN)

Kabul	Kabul	Kabul	1-Feb-15	15-Feb-15	In the latter half of February, ARA worked with the Afghan Marble Association (AMA) to discuss a recently imposed ban on the export of marble blocks and its effect on Afghanistan's marble industry.
Kabul	Kabul	Kabul	10-Mar-15	14-Mar-15	ATAR worked with EPAA to prepare for the participation of 11 Afghan agribusinesses in the Aahar International Food and Hospitality Show in New Delhi, India.
Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	ATAR assisted EPAA in identifying Afghan exhibitors who could benefit from participation in the show.
Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	ATAR conducted two training sessions for participants and designed the pavilion and created marketing materials.
Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	ATAR developed product-specific export promotion strategies for Afghan products for India. This strategy paper contains an analysis of six products and includes product description, global market overview, market, and proposed branding strategies for each of the products.
Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	ATAR and MOCI participated in a PATTTA roundtable in February at MOCI. Participants reviewed APTTA and develop proposed alternatives and official negotiating positions for Afghanistan for the upcoming PATTTA negotiations.
Kyrghyz	Kyrghyz	Kyrghyz	1-Feb-15	28-Feb-15	In Kyrgyz, ATAR prepared a draft agenda for a roundtable discussion of implementation of the WTO's TFA and discussed it with the Ministry of Economy. ATAR also made recommendations on participants for a TFA roundtable to be held in the second half of March
Tajikistan	Tajikistan	Tajikistan	1-Feb-15	28-Feb-15	In Tajikistan, ATAR drafted an agreement on mutual exchange of risk management information in customs matters and proposed the agreement for the trilateral adoption of ACD, the Tajikistan State Customs Service, and the Kyrgyzstan Customs Service.
Tajikistan	Tajikistan	Tajikistan	1-Feb-15	28-Feb-15	In Tajikistan, ATAR delivered two awareness sessions in Tajikistan for the public and private sector to discuss the proposed PATTA.

Tajikistan	Tajikistan	Tajikistan	25-Feb-15	25-Feb-15	In Tajikistan, ATAR delivered an awareness session in MEDT hosted by Association of International Transport Operators of Tajikistan (ABBAT) for 15 participants and delivered an awareness session
Tajikistan	Tajikistan	Tajikistan	26-Feb-15	26-Feb-15	ATAR conducted a PATTA awareness session.
Turkmenistan	Turkmenistan	Turkmenistan	1-Feb-15	28-Feb-15	In Turkmenistan, ATAR completed the translation of the assessment of the Turkmen customs code with WTO agreements and WCO Revised Kyoto Convention and shared the Russian version with USAID/Ashgabat.
Uzbekistan	Uzbekistan	Uzbekistan	1-Feb-15	28-Feb-15	In Uzbekistan, ATAR prepared an outline for one week of training on customs risk management and authorized economic operators to be delivered to Uzbek customs. The outline was shared with USAID/Tashkent for further transmission through a diplomatic note to Uzbek authorities.
Kabul	Kabul	Kabul	1-Feb-15	28-Feb-15	In consultation with ACD, ATAR finalized the draft policy and procedure manual for the implementation and operation of an IAU in ACD.
Kabul	Kabul	Kabul	1-Feb-15	15-Feb-15	In the first half of February, ATAR delivered two trainings to ANCA trainers on how to develop presentation templates and themes. This included the creation and use of appropriate visual aids, such as graphs and charts within PowerPoint.
Kabul	Kabul	Kabul	3-Mar-15	3-Mar-15	ATAR and EPAA organized a trade finance roundtable in Kabul to increase traders' access to financial mechanisms that can help them grow their businesses and increase exports.
Kabul	Kabul	Kabul	11-Mar-15	11-Mar-15	ATAR assisted MAIL's Animal Health Directorate in conducting a working group to review a procedure in support of the animal health law
Kabul	Kabul	Kabul	15-Mar-15	15-Mar-15	ATAR held a one-day training covering basic laboratory skills and laboratory safety for more than 32 laboratory technicians and supervisors from ANSA, MOPH, and MAIL.
Kabul	Kabul	Kabul	2-Mar-15	2-Mar-15	ATAR held a training seminar on geographical indications and registrar rules for MOCI staff.

Kabul	Kabul	Kabul	10-Mar-15	10-Mar-15	ATAR conducted working group on the regulation on food category systems used with food additives.
Tajikistan	Tajikistan	Tajikistan	13-Mar-15	13-Mar-15	In Tajikistan, ATAR delivered an awareness session in Tajikistan for the public and private sector to discuss the proposed PATTTA. The session, supported by Tajikistan's MEDT, was delivered to private-sector members of the Tajikistan Chamber of Commerce and Industry.
Kabul	Kabul	Kabul	16-Mar-15	16-Mar-15	ATAR conducted a study tour of Omaid Bahar Fruit Processing Ltd., which is ISO 9001, ISO 22000 and HACCP-certified.
India	India	New Delhi	10-Mar-15	14-Mar-15	ATAR supported Afghanistan's participation in the Aahar International Food and Hospitality Fair.
Kabul	Kabul	Kabul	16-Mar-15	16-Mar-15	ATAR conducted a plant protection and quarantine working group meeting.
Kabul	Kabul	Kabul	17-Mar-15	17-Mar-15	ATAR held a food regulation working group on food category system used with food additives.
Kabul	Kabul	Kabul	18-Mar-15	18-Mar-15	ATAR conducted a working group on animal health regulations.
Kabul	Kabul	Kabul	23-Mar-15	23-Mar-15	ATAR held a plant protection and quarantine working group meeting.
Kabul	Kabul	Kabul	25-Mar-15	25-Mar-15	ATAR held one-day awareness training seminar on geographical indications for the private sector.
Kabul	Kabul	Kabul	25-Mar-15	25-Mar-15	ATAR held a working group on animal health regulations.
Kabul	Kabul	Kabul	25-Mar-15	25-Mar-15	ATAR conducted training on laboratory internal audit checklists.
Kabul	Kabul	Kabul	26-Mar-15	26-Mar-15	ATAR held an awareness training on geographical indications for private sector.
Kabul	Kabul	Kabul	29-Mar-15	29-Mar-15	ATAR conducted training workshop on study tour on "Central Veterinary and Animal Public Health Lab."
Kabul	Kabul	Kabul	31-Mar-15	31-Mar-15	ATAR held food regulation working group on food category system used with food additives.
Kabul	Kabul	Kabul	10-Mar-15	10-Mar-15	ATAR and MOCI's Regional Trade Department held a working group meeting to reduce and finalize the sensitive list that will be provided to SAARC.

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Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

Quarterly Report

July-September 2014



In partnership with ATAR, an employee of the Ministry of Commerce and Industries delivered a presentation on Afghanistan's trade policy and trade data to local universities.

October 22, 2014

1. PROJECT OVERVIEW

Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global trading market.

ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is headquartered in Kabul and has staff in Mazar-i Sharif, Herat, and Jalalabad to support regional customs activities as well as a presence in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan to strengthen Afghanistan's trade ties in Central Asia.

ATAR provides assistance to improve the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through the country's critical transition period. Specifically, ATAR is tasked with:

1. Improving the capacity of the Government of the Islamic Republic of Afghanistan (GIROA) to create and implement a liberal policy framework for trade and investment in accordance with international standards;
2. Enhancing integration in the regional and world economy through the promotion of trade and agreements, enhanced governance of corridors, and private-sector linkages throughout South and Central Asia;
3. Strengthening revenue generation for fiscal sustainability and trade facilitation through reforms and anti-corruption measures in customs and taxation.

These objectives are achieved through three ATAR components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to the World Trade Organization (WTO). This support is accomplished by building the necessary technical capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime within the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists GIROA to support measures needed to implement regional trade agreements; and (3) supports the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with countries such as Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

Component 3: Improved Customs Administration

Component 3 will enhance GIROA's capacity to generate revenue through implementation of value added tax (VAT)[1], in combination with outreach and enforcement, and improves customs

[1] This activity is on hold pending instruction from USAID.

procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

2. EXECUTIVE SUMMARY

Component 1: Support Trade Policy Liberalization

Summary of results for the reporting period and key achievements

With ATAR support, GIROA made substantial progress in advancing WTO-related laws during the quarter. Due to ATAR's work with the Ministry of Justice (MOJ), MOJ approved the draft amendments to the copyright law and submitted it to the Council of Ministers on July 27, 2014. MOJ also launched its review, with ATAR's assistance, of the draft law on foreign trade and the draft law on industrial designs.[2]

The Council of Ministers finalized its technical review of the law on plant protection and quarantine and completed its technical review and approved the law on geographical indications on Aug. 20, 2014. ATAR assisted the Ministry of Agriculture, Information and Livestock (MAIL) in the finalization of the draft law on animal health and veterinary public health, which was submitted to the MAIL Minister who approved the draft and submitted it to MOJ on Sept. 30, 2014.

In order to build the capacity of GIROA to implement WTO-related laws, ATAR conducted on-the-job training and held formal trainings, workshops, and working group meetings at ministries such as MAIL and the Ministry of Public Health (MOPH). During the quarter, ATAR focused on building the capacity of stakeholders on the draft laws on plant protection and quarantine, food safety, and animal health and veterinary public health. ATAR also provide coordination assistance to the U.S. Embassy-sponsored intellectual property training at the U.S. Patent and Trademark Office (USPTO) for 13 Afghan government representatives, including two female judges and two female Parliamentarians, on Sept. 8-11, 2014.

To help GIROA in making informed policy decisions, ATAR assisted in building the capacity of MOCI's Trade Policy Analysis Unit (TPAU) to conduct in-depth analysis of trade data and helped the TPAU complete its comprehensive *Afghanistan Annual Trade Review*, which provides trade, transit, and other relevant data for the last five years.

As part of ATAR's efforts to develop an institution capable of testing and certifying Afghan products in accordance with international standards, the Afghanistan National Standards Authority (ANSA) obtained full membership in the International Organization for Standardization (ISO) in July 2014. ATAR also assisted ANSA in finalizing a draft procedure for inter-agency cooperation to ensure the timely submission of replies to enquiries and notifications to the WTO.

Constraints and critical issues

Although Afghanistan was well positioned to hold its fifth Working Party meeting, Afghanistan faced delays in scheduling the meeting due the disputed presidential election. Afghanistan did not inform the WTO of a specific date because the Afghan government was not approving travel of senior-level delegations during the election period. The fifth Working Party meeting will not occur before a new Council of Ministers is in place.

[2] All draft laws prepared by ministries must be submitted to MOJ. After the draft laws on MOJ's legislative agenda are reviewed and approved by MOJ, they proceed to the Afghanistan's Council of Ministers, then the National Assembly (Parliament), and finally to the President for approval and entry into force.

Component 2: Facilitate Enhanced Access to Regional Markets

Summary of results for the reporting period and key achievements

At the request of Afghanistan's Ministry of Commerce and Industries (MOCI) and to facilitate trade between Afghanistan and the region, ATAR assisted in the preparation of a draft model agreement on trade and transit between Afghanistan, Azerbaijan, Georgia, and Turkmenistan. The draft agreement is based on the Cross Border Transport Agreement (CBTA) and WTO agreements.

ATAR supported Afghanistan's efforts to implement the Transports Internationaux Routiers (TIR) Convention and spread awareness of the system, which will simplify international road transport and boost trade for landlocked Afghanistan. ATAR completed TIR training for 20 customs officers at the Afghanistan National Customs Academy (ANCA) on Sept. 7-8 and delivered training for 30 transport operators on Sept. 17-18 at the Association of Afghanistan Freight Forwarding Companies (AAFCO) in Kabul.

In an effort to strengthen the Export Promotion Agency of Afghanistan (EPAA) and increase Afghanistan's exports, ATAR worked with EPAA to provide 16 workshops on research, market analysis, global logistics, and supply chain management in July for MOCI, EPAA, and private-sector participants. ATAR also supported and facilitated the participation of Afghan marble traders in the Turkmen Construction Exhibition in August and began support in inviting and preparing Afghan traders to the Central Asia Trade Forum (CATF) to be held Oct. 29-30 in Almaty, Kazakhstan, and to the World Food Exhibition in Almaty on Nov. 5-7.

ATAR finalized conformity assessments with the WTO Trade Facilitation Agreement (TFA) for Afghanistan, the Kyrgyz Republic, and Tajikistan and launched the process for Turkmenistan during the quarter. ATAR also completed a detailed assessment of the customs code of Turkmenistan to determine conformity with WTO agreements and the World Customs Organization (WCO) Revised Kyoto Convention. In Uzbekistan, ATAR held a key introductory meeting at the Ministry of Foreign Economic Relations Investment and Trade with the Deputy Minister and two ministry officials as well as officials from the State Customs Service, Ministry of Finance, and Ministry of Foreign Affairs.

Constraints and critical issues

The conflict between the Kyrgyz Republic and Tajikistan regarding the Karamyk border crossing point impeded ATAR's work on customs cooperation. In addition, the Turkmen and Uzbek governments have not yet totally cleared ATAR to proceed with operations in those countries.

Component 3: Improved Customs Administration

Summary of results for the reporting period and key achievements

With ATAR support, the Afghanistan Customs Department (ACD), Da Afghanistan Bank (DAB), and commercial banks agreed to launch electronic payment, or E-Pay, of customs duties in the near future. This would allow traders to pay customs duties and related fees electronically at

commercial banks, making trade easier by eliminating the need for cash and opportunities for corruption. ATAR created outreach materials, including a radio ad and poster, in support of E-Pay.

ATAR, with ACD and the Afghan Border Police (ABP), completed a review of the Border Management Model (BMM) at Kabul International Airport and the Aquina, Hairatan, Sher Khan Bandar, Islam Qala, and Torkham Border Crossing Points (BCPs). The BMM, which began in July 2011, creates a formal partnership between ACD and ABP. ATAR will complete the report on its findings by the end of October 2014.

Constraints and critical issues

The Deputy Minister of Finance for Customs and Revenue expressed dissatisfaction with a perceived lack of communication regarding ATAR. While this may be an internal problem at ACD, ATAR began providing a streamlined monthly progress report to both the Deputy Minister and the Director General to rectify the problem. In addition, ATAR began meeting with the Director General and Deputy Directors on a regular basis.

3. ACTIVITY IMPLEMENTATION

3.1 Indicator/Activity Performance:

ATAR has surpassed the annual targets of nine of its project indicators. The highlights include:

Indicator number 11 - The project beat its annual target of four WTO-related institutional reforms, initiating seven reforms to date. ATAR supported the establishment of five committees led by ANSA that are charged with developing national sector-specific standards that meet international principles. ATAR also developed the Comprehensive Integrated Tariff System (CITS) for the Kyrgyz Republic, increasing transparency called for by WTO by creating a tool that will allow traders to access information on regulatory requirements for products imported into or exported from the Kyrgyz Republic. In addition, MOCI accepted ATAR's institutional proposal to establish a safeguards unit to implement the safeguards law necessary for WTO membership.

Indicator number 12 - ATAR further surpassed its annual target of draft legislative items prepared at the ministerial level. ATAR worked closely with the Ministry of Public Health (MOPH) during the quarter to draft 13 regulations and procedures related to implementation of the food safety law, the law on animal health and veterinary public health, and the plant protection and quarantine law. The project total stands at 19 draft legislative items prepared at the ministerial level.

Indicator number 13 - The project further exceeded its annual target of 12 public events to discuss trade and business policy matters with stakeholders, the public, and the private sector by holding 29 such events during the quarter and 68 since the project start in November 2013.

Indicator number 14 - ATAR move further passed its annual target of six consultative processes with the private sector by holding a working group, including private-sector representatives, regarding the legislation on animal health and veterinary public health during the quarter. The project total is now eight consultative processes.

Indicator number 16 – ATAR beat its annual target of four awareness documents for education on WTO and regional integration. ATAR developed six documents, including several educational pamphlets on copyrights, during the quarter. The awareness materials bring the project total to eight.

Indicator number 19 - ATAR exceeded its annual target of three launched or signed initiatives on regional integration. During the quarter, ATAR assisted in the preparation and translation of a draft model agreement on trade and transit between Afghanistan, Azerbaijan, Georgia, and Turkmenistan in July and August. This brings the project total up to four initiatives.

Indicator number 20 - The project further passed its annual target of number of 80 firms receiving capacity building with additional export promotion courses in Afghanistan attended by 18 firms during the quarter. The project total is now 262 firms assisted.

Indicator number 35 - The project beat its annual target of 30 training events held to improve the trade and investment environment by providing 21 such trainings during the quarter and 60 such trainings since the project start in November 2013.

Indicator number 36 - ATAR beat its annual target of 1,500 person hours of training in trade and investment capacity building by providing 4,654 persons hours of training during the quarter and 8,117 since the project start.

Gender - ATAR promotes the involvement of Afghan women from the public and private sector in its activities whenever possible. For example, almost 20 percent of the participants in ATAR training events this quarter were women. Four of the thirteen participants in the USPTO intellectual property training were Afghan women.

ATAR Indicator Table

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade											
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (Central Statistics Organization report)	$9.2 billion in 1392 excluding transit (CSO)	$9.2 billion in 1392 excluding transit (CSO)	Track-ing only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). **Note:** Total volume of trade in 1392 was $9.2 billion based on CSO data, including imports ($8.7 billion) and exports ($515 million).
2	Value of gross domestic product (GDP)	Outcome/ Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$21 billion in 1391 (CSO)	$21.2 billion in 1392 (CSO)	$21.2 billion in 1392 (CSO)	Track-ing only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. **Note**: Based on CSO data, the total value of Afghanistan's GDP in 1392 was $21.2 billion.
3	Ratio of foreign trade in GDP	Outcome/ Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% 2012 (World Bank)	Import 47% Export 6% 2013 (World Bank)	Import 47%, Export 6% 2013 (World Bank)	Track-ing only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD, CSO	Annual	$123,500 in 1391	Will be reported next quarter	Will be reported next quarter	Track-ing only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.
5	Value of exports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$515 million in 1392 (CSO)	$515 million in 1392 (CSO)	Track-ing only	Tracking only	Value of exports here refers to the total value of Afghan licit goods and services sold in a foreign country or countries. **Note:** Based on CSO data, the total value of Afghanistan exports in 1392 is $515 million. **Disaggregation by Country:**

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
											Pakistan = $198 million India = $102 million Iran = $42 million Turkey = $35 million UAE = $26 million Iraq = $23 million China= $20 million Turkmenistan = $14 million Netherlands= $12 million Germany= $9 million Others = $34 million
6	Value of imports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$8.7 billion in 1392 (CSO)	$8.7 billion in 1392 (CSO)	Track-ing only	Tracking only	Value of imports refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on CSO data, total value of Afghanistan imports in 1392 was $8.7 billion. **Disaggregation by Country:** Pakistan = $1.7 billion Iran = $1.5 billion UAE = $1.2 billion Turkmenistan = $640 million Uzbekistan = $582 million Russia = $520 million China = $437 million Kazakhstan = $324 million India = $147 million Malaysia = $122 million Japan = $84 million Others = $1.3 billion
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184	184	Track-ing only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries.
8	Ease of doing business in	Outcome/ Impact	By sector	World Bank	Annual	164 (Doing Business Annual	164	164	Track-ing	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
	Afghanistan (World Bank Doing Business report)	USAID requested indicator		Doing Business Annual Report		Report 2014)			only		to open and run a small- to medium-sized business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened											
9	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/ Impact USAID requested indicator	None	GIROA	Annual	27%	27% (ACD and CSO report 1392)	27% (ACD and CSO report 1392)	20%	10%	It is crucial to have reliable trade data for policy and planning. ATAR is supporting ACD and CSO to harmonize their trade data. **Note:** Based on trade statistics data from ACD and CSO for 1392, the overall discrepancy was 27% for imports and 23% for exports.
PIR1.1: WTO accession process finalized											
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quart-erly	0	10	2	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator captures progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement. The 10 legal acts in the results are: 1. Plant protection and plant quarantine submitted to the Council of Ministers by MOJ. 2. Law on animal health and veterinary public health submitted to MOJ by MAIL. 3. Law on geographical indications submitted to Council of Ministers by MOJ. 4. The law on trademarks approved by Council of Ministers and submitted to Parliament. 5. Amendments to the 2005 customs law submitted to Council of Ministers by MOJ. 6. Amendments to the patents law submitted to Councils of Minister by MOJ. 7. The procedure on intellectual property border enforcement submitted to the Minister of Finance

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
											for signing. 8. The procedure on intellectual property border enforcement adopted and came into force on April 12, 2014. 9. The draft copyright law was submitted on July 27 by MOJ to the Council of Ministers. 10. The draft law on animal health and veterinary public health was submitted by MAIL to MOJ.
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quart-erly	0	7	0	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR. The reforms in the project's results to date are: 1. Institutional proposal accepted by MOCI for establishing a Safeguard Unit 2. CITS developed for Kyrgyzstan 3. Five ISO mirror committees established (1. food; 2. textile and leather; 3. metrology, 4. construction, and 5. petroleum products and lubricants).

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quart-erly	0	19	13	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level with ATAR support. This mainly refers to the first draft finalized at the Ministerial level. Results include: 1. Eleven procedures related to food safety drafted and agreed by working group at MOPH 2. Draft regulations for implementing law on animal health finalized 3. Six procedures for implementing law on animal health prepared by a working group at MAIL 4. Draft regulations to implement law on plant protection and quarantine prepared by a working group at MAIL
PIR 1.2: WTO implementation process developed and executed											
13	Number of public events held to discuss trade and business policy matters with stake-holders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Month-ly	0	68 (Participants: 596 male, 123 female)	29 (Participants: 217 male, 40 female)	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, roundtable discussions, and other trade gathering.
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quart-erly	0	8	1	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
											under this indicator. The results to date include: 1. Consultative meeting with fruit and vegetable businesses at CABOC 2. Consultative meeting with handicraft, carpet, gemstones and marble businesses at CABOC 3. Consultative meeting with women businesses at CABOC 4. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation 5. Consultative meeting with KCCI regarding customs valuation practices 6. Working group for development of implementing regulations for food safety law 7. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment 8. Working group on developing implementing legislation for the law on animal health
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased											
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Month-ly	0	2	0	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses Awareness seminars to date include: 1. WTO awareness seminar for MOJ 2. Awareness about regional opportunities
16	Number of	Operational	Province	Project	Quart-	0	8	6	4	10	This indicator will capture any type of awareness

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
	awareness documents prepared to educate about WTO and regional integration	Indicator Output USAID requested indicator		records	erly						material developed with ATAR support in educating the private sector on WTO and trade opportunities. 1. Document for President's office on WTO 2. Presentation developed for WTO awareness seminar for MOJ 3. Awareness materials on TIR 4. Copyrights general pamphlet 5. Copyrights music pamphlet 6. Copyrights publishers pamphlet 7. Copyrights awareness article 8. Educational materials on geographical indications
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/ Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased											
18	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Percep-tion survey	Annual	To be determined (TBD) from perception survey	TBD from perception survey	TBD from perception survey	10% in-crease	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders.
PIR 2: Regional and global integration enhanced											
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records, MOCI	Quart-erly	0	4	1	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support. 1. Transit and Transport Agreement with

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
											Azerbaijan launched 2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers 4. Trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan launched
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/ gender	Project records, EPPA	Month-ly	0	262 firms = 45 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, 107 businesses from Dushanbe business-to-business event	18 (10 firms at one seminar at EPAA, 8 firms at a second seminar at EPAA)	80 firms	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR. During the quarter, ATAR conducted two seminars – one on market research and international markets attended by 10 firms and one on global logistics attended by 8 firms.
21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/ Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451	Will be reported next quarter	Will be reported next quarter	Track-ing only	Track-ing only	This indicator refers to the number of declarations and number of vehicles paying custom duties.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
						Weish: Imports 35,166 Exports 2,167					
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	3	0	6	24	This indicator will capture the number of interactions and dialogues between the businesses and government organizations in the region on policy reform issues. 1. Two trade facilitation workshops in Kyrgyzstan in April and June 2014 2. Session during Dushanbe business-to-business event related to policy reform involving businesses and government representatives
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays
24	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6 (2012)	$2,393 Corridor 5 (2013)	$2,393 Corridor 5 (2013)	Track-ing only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included.
25	Percentage share of trade with regional partners	Outcome/ Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Will be reported next quarter	Track-ing only	Tracking only	This indicator will capture the share of Afghanistan's trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan, and Kazakhstan.
26	Average cost of crossing borders ($)	Outcome/ Impact USAID	Corridor 5 Corridor 6	CPMM	Annual	$157 (2012)	$235 (2013)	$235 (2013)	Track-ing only	Tracking only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs,

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
		requested indicator									immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation											
27	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million in 1392	$875 million in 1392	Track-ing only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses.
28	Number of permanent professional positions allocated for women within ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quart-erly	77	1 (78 total at ACD)	1 (78 total ACD)	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
29	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quart-erly	20	0	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months. **Note:** Recruitment process has begun. Interviews and appointments will take place in October 2014.
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue , performance of core functions, and facilitation of trade improved											
30	Average Customs processing time (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan	Herat: 4 hours Hairatan: 2 hours 20 minutes Jalalabad 3 hours 46 minutes Shir Khan Bandar: 2 hours	Herat: 4 hours Hairatan: 2 hours 20 minutes Jalalabad 3 hours 46 minutes Shir Khan Bandar: 2 hours	TBD based on numbe r of steps remove d	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
						Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	30 minutes Aquina: 3	30 minutes Aquina: 3 hours			
31	Number of documents/procedures required to import and export	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10 Import/ 10 Export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2014)	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
32	Time to export and import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	85 days, import, 81 days, export (World Bank Doing Business report 2014)	85 days, import, 81 days, export (World Bank Doing Business report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.
33	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline. Note: There have been delays in full implementation of E-Pay, due to the delay in the World Bank tender process. Risk management profiles have been introduced under UNCTAD (ASYCUDA). Other areas of risk management,

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Tim-ing	Baseline	Achieve-ments from project start (Nov. 2013-Sept. 2014)	Achievements in project quarter (July 2014-Sept. 2014)	Year 1 Target	Life-of-Project Target	Notes
											simplified import procedures, and the national hotline will be dealt with in Year 2.
34	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management. Note: Risk management profiles have been introduced under UNCTAD (ASYCUDA). Risk registers / management controls through management training have not yet been implemented.
Cross – Component Indicators											
35	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Month-ly	0	60 trainings 1,073 participants including 894 male and 179 female 1,160 person days of training	21 trainings 296 participants including 281 male and 15 female 194 persons days of training	30 train-ings/ 300 particip ants	120 trainings/ 1,200 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training.
36	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Month-ly	0	8,117 (Male 6,454, female 1,663)	4,654 (Male 3,557, female 1,097)	1,500	6,000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40.

3.2 Key Activities Accomplished during the Quarter:

(See Annex A for a USAID's AfghanInfo report for supplemental information on ATAR activities.)

Component 1: Support Trade Policy Liberalization

- Continued to work with ministries to ensure they requested MOJ to include four remaining WTO-related draft laws within their authority in MOJ's 1393 legislative action plan. (See Annex B for detailed progress on Afghanistan's legislative action plan for WTO accession.)
- Continued to work at MOJ on a daily basis to respond to MOJ questions and comments and provide clarifications on WTO-related draft legislation.
- Supported MAIL, ANSA, MOPH, and Ministry of Information and Culture (MOIC) in further-fine tuning of relevant draft laws.
- Supported MAIL in roundtables and working group meetings to finalize the draft plant protection and quarantine regulation and presented 16 model procedures for consideration.
- Assisted the MOPH food regulation working group in reviewing the draft procedure on food recall requirements and reviewing additives and substances permitted and prohibited for use in food.
- Facilitated negotiations of amendments to the animal health and veterinary public health act and the food safety act between MAIL and MOPH following receipt by MOPH of a MAIL letter relating to a possible overlap in roles; shared alternatives based on best practices.
- Supported MAIL's Animal Health Department in amending the veterinary control of import and export regulation, which helps control imports and exports of animals and animal health products, and prepared new draft procedures required to implement the draft regulation.
- Held a seminar for MAIL in August on the regulation on veterinary control of imports and exports.
- Assisted MAIL in September in holding two working group meetings on the veterinary control of import and export procedures.
- Conducted a roundtable on Sept. 14 with MAIL, MOCI, ACD, Afghanistan Chamber of Commerce and Industries (ACCI), and the Afghanistan Poultry and Meat Importer's Association to provide an overview of issues relating to regulatory control of the import and export of live animals and animal products.
- Worked with MOPH and Kabul University's Faculty of Veterinary Science in August to gain their approval for a course on the national food safety regulatory system that would help provide Afghanistan with specialists to implement the food safety law required under WTO.
- Worked with MAIL and Kabul University's Faculty of Agriculture in August to gain their approval for a course on Afghanistan's agriculture import and export markets and plant health standards; the course would help to provide Afghanistan with the specialists needed to implement WTO-related laws such as the plant protection and quarantine law.
- Launched preparation of model legislation for implementing the following intellectual property laws: geographical indications, industrial designs, and trade secrets.
- Drafted a plan for WTO-awareness seminars in Kabul and the regions and shared the plan with MOCI for feedback.
- Launched support to ANSA in preparing procedures for recognizing the conformity assessment tests of other countries as equivalent to its own tests.

- Sponsored the MOCI Director General's attendance in the Trade Advocacy Fund (TAF) second advisory event on July 7-9 in London.
- Supported ANSA in developing and finalizing a draft procedure for inter-agency cooperation to ensure timely submission of replies to enquiries and notifications to the WTO; supported a roundtable on July 21 for ANSA and a half dozen ministries and agencies in charge of issuing technical regulations to finalize the draft.
- ANSA launched the accreditation processes of its certification unit; with ATAR support, ANSA signed a memorandum of understanding (MOU) between ANSA and a Turkish accreditation agency.
- Facilitated the participation of 13 government officials in the U.S.-Embassy sponsored USPTO intellectual property enforcement training in Virginia on Sept. 8-11;
- Assisted the Central Statistics Organization (CSO) in July in collecting data from ACD and trained the CSO on validating the data.
- Worked with MAIL's Statistics and Market Management Information Department and discussed methodologies for data collection and validation that can be used in statistics of agricultural sectors.
- Delivered six seminars to the statistics team of MAIL's Market Management Information Directorate and CSO representatives on statistical methods.
- MOCI's TPAU, jointly with ATAR, prepared an analysis of existing markets for sugar, cement, and cooking oil in light of a request from the International Monetary Fund to increase import tariff rates on those goods.
- Held a series of meetings and provided on-the-job-training with the TPAU to finalize the Afghanistan Annual Trade Review, which provides trade and transit data as well as domestic production and consumption for the last five years.
- Supported by ATAR, the TPAU held three seminars on the annual trade review targeting four universities (Kabul University, Kardan University, Bakhter University and Dunya University) with participation of select professors and students.
- Supported the TPAU in holding a half dozen seminars for the Regional Strategic Study Center under President of Afghanistan on trade policy analysis.
- ATAR developed, in consultation with MOPH, a cost-accounting model to analyze current fees, and propose WTO-consistent fees, for permits/licenses for import, distribution, and production of medicines and medical equipment.

Component 2: Facilitate Enhanced Access to Regional Markets

Afghanistan

- In collaboration with EPAA, provided 16 workshops on international research, market analysis, global logistics, and supply chain management in July for MOCI, EPAA, and private-sector participants.
- Began supporting EPAA in gathering information about border and tariff rates on Afghan handicraft products in 17 different countries.
- Assisted in the preparation and translation of a draft model agreement on trade and transit between Afghanistan, Azerbaijan, Georgia, and Turkmenistan in July and August.

- Helped amend a model agreement on trade and transit with Uzbekistan to update an article on transit to reflect the WTO TFA.
- Appraised the Afghanistan Chamber of Commerce and Industries' (ACCI) application process for the TIR carnet, a customs transit document used under the TIR Convention.
- Supported preparation of a presentation and report for an MOCI delegation participating in the Ninth Meeting of the South Asia Free Trade Area (SAFTA) Committee of Experts on July 22-23 and Eighth Meeting of the SAFTA Ministerial Council on July 24 in Thimpu, Bhutan.
- Assisted in preparing a draft model agreement on mutual assistance on customs matters between Afghanistan and Uzbekistan and another between Afghanistan and Turkmenistan.
- Promoted the signing of an MOU between Afghanistan and Tajikistan on the Exchange of Information, the Harmonization of Documentation and other Matters associated with the Effective Control of Cross-Border Trade; both parties agreed to sign at the earliest occasion.
- Participated in TIR workshops in Karachi, Lahore, and Islamabad from Aug. 18-22 to discuss progress in Pakistan's accession to the TIR Convention.
- Completed TIR training for 20 customs officers at ANCA on Sept. 7-8.
- Delivered TIR training for 30 transport operators on Sept. 17-18 at AAFFCO in Kabul.
- Launched planning in September of a regional transport and logistics seminar and networking event tentatively scheduled for Nov. 13-15 in Bishkek.
- Continued assisting MOCI and ACD in preparation for the Afghanistan-Pakistan Transit Trade Coordinating Authority (APTTCA) meeting, expected in November 2014, by identifying agenda priorities and updating a checklist of status of implementation of decisions agreed up during the last APTTCA meeting of October 2013.
- Supported EPAA in inviting and preparing Afghan traders to CATF to be held Oct. 29-30 in Almaty, Kazakhstan, and the World Food Exhibition in Almaty on Nov. 5-7.
- Finalized material for workshops on investment promotion targeted to Afghanistan's commercial attachés. The date and location for workshops are being discussed with MOCI.
- Participated in USAID's North Regional Implementing Partner Conference on Sept. 1 in Mazar-i Sharif to explore USAID's activities in the north and improve coordination.

Kyrgyz Republic

- Prepared a database structure for the Kyrgyz Republic's State Customs Service to compile, query, and analyze risk management data, showed customs risk management specialists how to input data, and demonstrated how to query the system and analyze data.
- Proposed risk profiling guidelines/methodology for Kyrgyz customs.
- Launched on-the-job support to Kyrgyz customs in developing risk profiles based on the methodology.
- Launched review of Kyrgyz customs code articles related to risk to determine consistency with WCO Revised Kyoto Convention requirements.
- Met with the Kyrgyz customs post clearance audit section to review its system and began working on post-clearance guidelines.
- Developed a proposal for Kyrgyz customs concerning a risk-based approach to selection of clients and scheduling of post-clearance audits.
- Visited four Kyrgyz Republic customs locations in July and determined vehicles were being released at an acceptable rate; ATAR noted an impediment to trade facilitation was the

requirement that all non-TIR trucks be escorted to their destination as well as restrictions imposed on the Kazakh side due to membership in the Customs Union.

- Finalized a draft assessment of the Kyrgyz Republic's compliance with the WTO TFA to help the country in preparing its official notification to the WTO on how it will comply with TFA requirements; the Kyrgyz Republic notified category A during this reporting based on the ATAR-supported assessment.
- Supported the Organization for Security and Co-operation in Europe (OSCE) in preparing training materials for a training of Afghan and Kyrgyz customs officers at the Kyrgyz Customs Academy that will occur in November 2014.
- Reviewed the Kyrgyz Republic draft strategy and work plan on development of the customs service for 2014 through 2017 and determined the strategy was in line with international standards.
- Continued development of Electronic Data Interchange (EDI) node in consultation with Kyrgyz customs.
- Verified data in the Comprehensive Integrated Tariff System (CITS) with relevant Kyrgyz agencies to ensure up to date and comprehensive content.
- Completed a paper on a law enforcement information technology system for Kyrgyz customs in support of risk management.
- Participated in the Trade and Investment Framework Agreement (TIFA) Customs Working Group meeting organized by the Commercial Law Development Program (CLDP) in Bishkek on Sept. 9-11 and gave a short presentation regarding its work in the region; participants were customs officials from Afghanistan, Kazakhstan, Kyrgyzstan, and Tajikistan.

Tajikistan

- Completed an initial assessment of Tajikistan's customs code and regulations for undertaking post-clearance audits, consulted with the customs training unit regarding their requirements for technical training in audits, and prepared an initial draft for post-clearance audit manual.
- Developed a proposal for Tajikistan that clarifies the role of the post-clearance audit and explains how auditors will adopt a risk-based selection process to conducting audits;
- Developed a policy and supporting procedures to ensure that information important to customs' functions is adequately safeguarded to protect the public and national interests.
- Finalized the draft of an assessment report of Tajikistan's compliance with the WTO TFA to help the country in preparing its official notification to the WTO on how it will comply with TFA requirements.
- Finalized an analysis for harmonization of official documents required by Tajikistan's border agencies to support cross-border transactions.
- In partnership with Tajikistan's Veterinary Inspections Service, finalized a risk analysis framework for the introduction of a risk management system that takes into account hazard identification, characterization of hazards, and risk characterization of animals and animal products.
- Developed a presentation on WTO regulations for free transit for the Association of International Automobile Carriers of the Republic of Tajikistan (ABBAT) to deliver at the conference "Logistics – a modern approach to the revival of the Great Silk Road."

- Worked with GIZ on an implementation plan for a pilot “one stop" at Nijni Panj, which lies on the border of Afghanistan and Tajikistan, and presented the plan to the customs services; the Tajik government had adopted a decree in July that defines the "one stop" principle for joint actions of state control agencies at the border, and Tajik customs is planning for a pilot implementation at Nijni Panj to start before the end of 2014.
- In support of the implementation plan, undertook an analysis of the trade information that is made available to the public through each of the border agency’s official websites, and identified a means to consolidate and harmonize the information.
- Continued to follow up on the business-to-business forum in Dushanbe on June 23-24 to determine if contracts were proposed or finalized between the Tajik business community and delegates from Afghanistan, Kyrgyz Republic, Kazakhstan, and Pakistan; a number of businesses have been in contact to further discuss business deals.

Turkmenistan

- Continued to identify Turkmen import and export opportunities for regional trade as well as Turkmen traders interested in trading with other Central and South Asian countries.
- Tracked legislative and institutional developments in Turkmenistan concerning trade, WTO, and export development.
- Completed translation of the Turkmen customs code to be used as a basis for conducting a conformity assessment with the WTO TFA, the Revised Kyoto Convention, and other WTO-relevant agreements.
- Completed analysis of the Turkmen customs code for compliance with WTO agreements and WCO Revised Kyoto Convention.
- In cooperation with FLAGG International, facilitated the participation of five Afghan marble producers in the Turkmen Construction Exhibition in Ashgabat on August 27-29; although no deals were finalized, the companies expressed interest in Afghanistan’s marble.
- Launched the process of assessing the level of conformity of Turkmenistan with the WTO TFA.

Uzbekistan

- Assisted in the preparation of a diplomatic note to introduce ATAR.
- Revised an action plan for launching activities in Uzbekistan by focusing on priorities of the Uzbek government that fall within ATAR’s scope;
- Continued to identify Uzbek import and export opportunities for regional trade as well as Uzbek traders interested in trading with other Central and South Asian countries.
- With USAID/Tashkent and USAID’s Regional Economic Cooperation (REC), held an introductory meeting with Deputy Minister of Foreign Economic Relations, Investments and Trade; representatives from several other ministries participated including Ministry of Foreign Affairs, Ministry of Finance, and State Customs Committee.

Cross-cutting

- Participated in the Astana Conference on Expanding Central and South Asia’s Regional

Trade organized by USAID's Marco Economic Project (MEP) on July 1-3; delivered five presentations and moderated two sessions.

- Prepared a draft MOU for consideration by regional country chambers to strengthen cooperation, including information sharing and cooperation on resolving trade, transit, and transport issues in the region. Followed up with interested chambers in Afghanistan, Kyrgyzstan, Pakistan, and Tajikistan.
- Finalized a first draft regional MOU on the exchange of intelligence and information for the purpose of enforcement and strengthening of risk management in Afghanistan, the Kyrgyz Republic, and Tajikistan.

Component 3: Improved Customs Administration

- In consultation with ACD senior management and the Afghanistan National Customs Academy (ANCA), completed development of a database to store information on all of ACD's training and capacity building efforts.
- Developed training modules for the database and delivered the training modules and training to ANCA trainers.
- In partnership with ACD, completed a training needs assessment of 236 staff within inland clearance depots (ICDs) at Hairatan, Herat and Jalalabad and at the Torkham Gate border crossing point (BCP) and shared the findings with ANCA.
- Completed a gender awareness training package for ACD that will be delivered in partnership with ACD in the coming quarter.
- Finalized a comprehensive training plan for the ACD Enforcement Directorate and received approval of the plan by the ACD Enforcement Director.
- Began development of risk management training in support of the plan for delivery at ANCA.
- Supported ANCA by reviewing current training materials and identifying other training modules to be developed.
- In partnership with ACD and ABP, completed assessments of the BMM at Sher Khan Bandar, Hairatan, Islam Qala, Torkham, Aquina Border BCPs and Kabul International Airport (KIA).
- Began drafting the reporting on initial BMM findings for submission to ACD in October.
- Worked with ACD to complete a draft interim business plan for ANCA for 2014 through 2016.
- Continued to monitor the operation of risk management at ICDs in Jalalabad, Hairatan, Herat, KIA, and Kabul with a report to be completed in November.
- Continued to support ACD in a review of its customs regulations and procedures and completed a review of the checklist for exemptions, military exemptions, general exemption procedures, temporary export procedure, export procedure, and advanced rulings.
- Met with ACD, DAB, USAID, and the World Bank to formulate the way forward for E-Pay of customs duties.
- Supported DAB and ACD in preparing for an outreach program, including a poster and radio ad, so that importers will be aware of E-Pay.

3.3 PLANNED FOR NEXT REPORTING PERIOD:

Component 1: Support Trade Policy Liberalization

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting.
- Continue support to advance WTO-related draft legislation particularly regarding customs, copyrights, patents, food safety, veterinary health, standards, fees for the import of medicines, intellectual property border enforcement, customs storage fees, and plant variety.
- Continue building capacity to support the development of implementing procedures and regulations for WTO-related laws, particularly those concerning sanitary and phytosanitary and intellectual property.
- Continue to assist ANSA in developing a certification unit and establishing a standards training center.
- Support the implementation of the MOU between CSO, ACD, and EPAA on reducing trade data discrepancies.
- Continue capacity building of MOCI's TPAU unit.
- Launch the process of assisting MOCI to transform the WTO unit from pre- to post-accession activities.
- Assist MOCI in finalizing a plan for WTO awareness seminars.
- Launch assessment of a food laboratory at ANSA.

Component 2: Facilitate Enhanced Access to Regional Markets

- Launch implementation of key elements of ATAR's South Asia strategy, including work toward:
  - Eliminating barriers to trade with India at Wagah on the India side
  - Eliminating problems related to Afghanistan Pakistan Transit Trade Agreement (APTTA) problems
  - Facilitating integration of Tajikistan and India into APTTA
  - Supporting greater market access through the SAFTA agreement
  - Improving access for raw materials and input for Afghan producers
  - Identifying regional value chains
  - Planning participation in the Doing Business in India Conference in January 2015
  - Planning a trade and investment conference in Kabul in May 2015
- Continue support related to negotiations, ratification, and implementation of regional initiatives including CBTA, APTTA, and new initiatives with Turkmenistan, Azerbaijan, and Uzbekistan.
- Continue to promote the MOU on border cooperation between Afghanistan and Tajikistan, which is a precondition for any customs-to-customs cooperation (including electronic date interchange and border cooperation) between both countries.
- Continue work with the Kyrgyz Republic on installing the EDI system in a test environment and enhancing CITS.
- Complete work on a study on identifying goods of interest to regional traders covering Central Asia, Afghanistan, and South Asia.

- Continue support on a post-clearance audit and risk assessment to the State Customs Service in Tajikistan and Kyrgyz Republic.
- Build TIR-related capacity in Afghanistan.
- Continue to advance the MOU between regional chambers of commerce on establishing a platform for cooperation.
- Support the Tajikistan State Customs Service with plan for a pilot of the “one-stop” concept at Nijni Panj.
- Support effort to build capacity for risk management within the Kyrgyz State Customs Service by introducing manuals and guidance papers, providing explanation as required, and seeking feedback.
- Introduce the ATAR proposal for the CITS to the Tajikistan State Customs Service.
- Support the Tajik State Veterinary Service to review the materials for the proposed Risk Analysis Framework developed by ATAR and plan for a roundtable in October to discuss integration or risk management principles to the service.
- Continue working with OSCE in preparing for an intellectual property training class for Afghan customs officers to be held at the Kyrgyz Customs Academy.
- Plan and execute the regional transport and logistics workshop.
- Launch a regional study (Afghanistan, India, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan) to assess comparative advantage, trade complementarity, and identify value chains and intra-industry trade.
- Launch route mapping study between Uzbekistan and India via Afghanistan and Pakistan.
- Launch a regional study on fortified wheat flour in Afghanistan, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, and Uzbekistan.

Component 3: Improved Customs Administration

- Continue to work with ACD, USAID, and DAB in efforts to begin implementation of E-Pay.
- Finalize the national review of risk management implementation and the review of streamlined customs procedures.
- Finalize and submit the BMM report.
- Assist ACD in the delivery of gender awareness training.
- Support ACD in tailoring the ANCA business plan for specific donors as necessary.
- Review existing training material for ANCA, update existing curriculum, and develop new curriculum.
- Finalize the recruitment of 10 interns who will work at ACD for six months.
- Finalize the recruitment of a customs specialist to work at Kabul ICD and KIA.
- Support ACD in obtaining access and implementing WCO online learning.
- Support ACD in obtaining and implementing WCO training kits for risk management and post-clearance audit.
- Support DAB and ACD in bringing commercial banks online and monitor the World Bank tender process to upgrade software in DAB.

3.4 Lessons learned:

ATAR had no formal evaluations, assessments or audits during the quarter, but USAID did work with the project to develop a "lessons learned" list in October 2014 that will help to inform the project's second year.

The following is an abbreviated version of the list:

- To be effective, the work ATAR does must have complete buy-in from GIROA authorities and subordinates charged with implementation.
- Partners will not read long documents in technologically sophisticated language. ATAR should deliver one-page forward looking documents that reflect the priorities and buy-in of Afghan partners and define the work to be conducted and committed to by them.
- Conflict breeds silence and distrust. Communicate with host partners continuously, through business meetings, updates and requests for feedback, to provide as many opportunities as possible to build effective relationships.
- Trusted mediators can change communication dynamics by helping clarify issues, reframing problems and possibly offering resources or solutions from third parties.
- Having explicit expectations about alternative activities based on contingent circumstances out of the project's control will help allocate resources more effectively.
- ATAR might find incentive and capacity in the private sector in areas where the project's public partners might be lacking.
- It takes a great deal of effort, time, resources, and the cultivation of effective relationships to move nations, donors, ministries, and business counterparts to overcome inertia. ATAR should find champions wherever possible.
- Long-term efforts require continuity and the commitment of individuals who will participate for extended periods of time.
- Decisions on security and reporting of those decisions should be aligned. There should be tighter correspondence between budgets and communication by decision makers.

4. COLLABORATION WITH GIROA, OTHER DONOR PROJECTS, OR OTHER USIAD PROJECTS

4.1 Links with relevant GIRoA ministries:

ATAR's success is dependent on its close relationship with GIROA, specifically ACD, MOCI, MOJ and other ministries relevant to Afghanistan's WTO accession. ATAR had staff embedded at ACD, MOCI, MOJ, and EPAA to work with staff on an almost daily basis. In addition, ATAR worked closely with relevant ministries during the quarter, conducting meetings, trainings, and working groups, to ensure that government officials were part of the decision-making process and had a thorough understanding of WTO activities such as draft laws, regulations, and procedures. ATAR staff worked closely with ACD to reform and modernize customs practices in line with international standards.

4.2 Links with other donor agencies:

In support of the project's activities in Central Asia, ATAR worked in close coordination with donor agencies including the Asian Development Bank (ADB), United Nations Development Programme (UNDP), the European Union, GIZ, and OSCE. For example, ATAR is working with ADB to plan its regional transport and logistics workshop in Bishkek. ATAR worked with GIZ on an implementation plan for a pilot "one stop" shop at Nijni Panj, on the border of Afghanistan and Tajikistan. ATAR also began preparing training materials for an intellectual property training to be delivered in coordination with the OSCE at the Kyrgyz Customs Academy in November.

ATAR also liaised with the Tajikistan Chamber of Commerce and Industries, the Kabul Chamber of Commerce and Industries, the Kyrgyzstan Chamber of Commerce and Industry, and the Pakistan Afghanistan Joint Chamber of Commerce and Industries. ATAR worked with the regional country chambers to gain their approval of a draft MOU the project prepared to strengthen cooperation.

Where possible, ATAR coordinated with implementing partners at ACD, including Adam Smith International (ASI), the World Bank, and the Border Management Task Force (BMTF), which departed in September 2014. ATAR met with the European Union's Border Management Northern Afghanistan (EU-BOMNAF) project during the quarter to begin to partner on customs activities in support of ACD.

4.3 List and discuss links with other USAID projects:

In Central Asia, ATAR co-located with USAID's REC project at the Chemonics' office in Tashkent, Uzbekistan, and continued to work with REC on regional trade activities.

ATAR provided support to USAID's MEP in organizing the Astana Trade Policy Conference: Expanding Central and South Asia's Regional Trade on July 1-2. ATAR speakers participated in the conference.

ATAR participated in the TIFA Customs Working Group meeting organized by CLDP in Bishkek in September and gave a short presentation regarding its work in the region.

In Afghanistan, ATAR liaised with USAID's Commercial Horticulture and Agriculture Marketing Project (CHAMP) throughout the quarter to identify possible shared activities.

5. MANAGEMENT AND ADMINISTRATIVE ISSUES

5.1 Personnel: Chris Lawson assumed the post of ATAR's Component 3 Customs Reform Manager in late July. ATAR's Deputy Chief of Party Qayum Ahadi left his post in mid-August and was replaced by Safir Sahar as Acting Deputy Chief of Party at that time.

5.2 Adaption of the activity: No major changes to the project's statement of work were made during the reporting period.

5.3 Modifications and Amendments: ATAR received Modification 3 to the contract in September. The modification officially changed the project's Contracting Officer's Representative, incorporated the branding implementation and marking plan, and updated certain clauses.

ANNEX A: AFGHAN INFO ACTIVITY REPORT

Project Comp-onent	Activity Description	Target of Activity	Expected Outcome of Activity	Date of Activity	Location of Information		
					Province	District	Village
C1	MOPH food regulations working group	Review privacy protection procedure and gather feedback	Improve document on exchange of information	6-Jul-14	Kabul	Kabul	Kabul
C1	Plant protection and quarantine regulation working group	Review plant protection and quarantine regulation	Improve the draft regulation on plant protection and quarantine	8-Jul-14	Kabul	Kabul	Kabul
C1	Plant protection and quarantine regulation roundtable	Review plant protection and quarantine regulation	Improve the draft regulation on plant protection and quarantine	9-Jul-14	Kabul	Kabul	Kabul
C1	Plant protection and quarantine regulation roundtable	Review plant protection and quarantine regulation	Improve the draft regulation on plant protection and quarantine	12-Jul-14	Kabul	Kabul	Kabul
C1	Plant protection and quarantine regulation roundtable	Review plant protection and quarantine regulation	Improve the draft regulation on plant protection and quarantine	13-Jul-14	Kabul	Kabul	Kabul
C1	Plant protection and quarantine regulation roundtable	Review plant protection and quarantine regulation	Improve the draft regulation on plant protection and quarantine	15-Jul-14	Kabul	Kabul	Kabul
C1	MOPH food regulations working group	Review draft procedures on recall requirements for food producers, processors, distributors and retailers	Improve document on exchange of information	13-Jul-14	Kabul	Kabul	Kabul
C1	Plant protection and quarantine regulation roundtable	Review plant protection and quarantine regulation	Improve the draft regulation on plant protection and quarantine	19-Jul-14	Kabul	Kabul	Kabul
C1	Conformity assessment meeting	Provide information about establishment of certification unit	Enable certification committee members to understanding ANSA certification unit	12-Jul-14	Kabul	Kabul	Kabul
C1	Roundtable on additives permitted for use in food in general	Finalize the draft plant protection and quarantine regulation	Improve the draft regulation on plant protection and quarantine	20-Jul-14	Kabul	Kabul	Kabul

C1	Roundtable on food control authority inspection product jurisdiction	Finalize the draft plant protection and quarantine regulation	Improve the draft regulation on plant protection and quarantine	20-Jul-14	Kabul	Kabul	Kabul
C1	Roundtable on substances prohibited from use in human food	Finalize the draft plant protection and quarantine regulation	Improve the draft regulation on plant protection and quarantine	20-Jul-14	Kabul	Kabul	Kabul
C1	Seminar on codex general standards for food additives	Review the communication provided in codex alimentarius standard 192-195 for food additives	Assist MOPH officials in understanding the international basis for the draft regulation on general requirements for food additives	23-Jul-14	Kabul	Kabul	Kabul
C2	Introduction to international trade research and market analysis	Provide an introduction on international trade research	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	5-Jul-14	Kabul	Kabul	Kabul
C2	Market and competitive intelligence	Provide an introduction on international trade research	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	6-Jul-14	Kabul	Kabul	Kabul
C2	The research process	Provide an introduction on international trade research	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	7-Jul-14	Kabul	Kabul	Kabul
C2	Define research objectives at EPAA	Provide an introduction on international trade research	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	8-Jul-14	Kabul	Kabul	Kabul

C2	Data sources workshop	Provide an introduction on international trade research	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	9-Jul-14	Kabul	Kabul	Kabul
C2	Market research workshop	Provide an introduction on international trade research	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	12-Jul-14	Kabul	Kabul	Kabul
C2	Market research workshop	Provide an introduction on international trade research	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	12-Jul-14	Kabul	Kabul	Kabul
C2	Introduction to global supply chain management	Introduction to global supply chain management	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	15-Jul-14	Kabul	Kabul	Kabul
C2	Planning the global supply chain	Introduction to global supply chain management	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	16-Jul-14	Kabul	Kabul	Kabul
C2	Global supply chain	Introduction to global supply chain management	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	19-Jul-14	Kabul	Kabul	Kabul
C2	Global supply chain	Introduction to global supply chain management	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	20-Jul-14	Kabul	Kabul	Kabul

C2	Global supply chain	Introduction to global supply chain management	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	20-Jul-14	Kabul	Kabul	Kabul
C2	Global logistics	Introduction to global supply chain management	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	21-Jul-14	Kabul	Kabul	Kabul
C2	Global logistics	Introduction to global supply chain management	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	23-Jul-14	Kabul	Kabul	Kabul
C2	Global logistics	Introduction to global supply chain management	Increase awareness and build capacity of local companies in strategic plan, marketing process and supply chain management processes	23-Jul-14	Kabul	Kabul	Kabul
C1	AHD veterinary control of import and export regulation seminar	Educate participants on new amendments to the regulation	Improve the article of first chapter	6-Aug-14	Kabul	Kabul	Kabul
C1	MOPH food regulations working group	Review requirements for food additives	Improve document on exchange of information	10-Aug-14	Kabul	Kabul	Kabul
C1	AHD veterinary control of import and export regulation working group	Educate participants on new amendments to the regulation	Improve the article of first chapter	12-Aug-14	Kabul	Kabul	Kabul
C1	Working group meeting on foreign trade law in goods	Foreign trade law articles	Review of foreign trade law	5-Aug-14	Kabul	Kabul	Kabul
C1	MOPH food regulations working group	Review food additives and substances permitted and prohibited for use in food	Improve document on exchange of information	17-Aug-14	Kabul	Kabul	Kabul

C1	Working group meeting on foreign trade law in goods	Foreign trade law articles	Review of foreign trade law	20-Aug-14	Kabul	Kabul	Kabul
C1	MOPH food regulations working group	Review food additives and substances permitted and prohibited for use in food	Improve document on exchange of information	24-Aug-14	Kabul	Kabul	Kabul
C1	AHD veterinary control of import and export regulation working group	Review of four procedures in support of the veterinary control of import and export regulation	Improve the article of first chapter	6-Sep-14	Kabul	Kabul	Kabul
C1	MOPH food regulations working group	Review food additives and substances permitted and prohibited for use in food	Improve document on exchange of information	7-Sep-14	Kabul	Kabul	Kabul
C2	TIR train-the-trainers workshop for customs	Introduce TIR a and understand the benefits of TIR System	Increase awareness and build capacity of local transport operators	7-Sep-14	Kabul	Kabul	Kabul
C1	Working group meeting of foreign trade law in goods	Foreign trade law articles	Review of foreign trade law	12-Aug-14	Kabul	Kabul	Kabul
C1	AHD veterinary control of import and export roundtable	Review of four procedures in support of the veterinary control of import and export regulation	To improve the article of first chapter	14-Sep-14	Kabul	Kabul	Kabul
C1	AHD veterinary control ofiImport and export regulation working group	Review of four procedures in support of the veterinary control of import and export regulation	Improve the article of the first chapter	13-Sep-14	Kabul	Kabul	Kabul
C1	Workshop on annual trade policy review	Present the trade policy of Afghanistan and a comparison of trade and transit data related to Afghanistan from last five years	Improve Afghanistan trade policy in the future	13-Sep-14	Kabul	Kabul	Kabul
C1	Workshop on annual trade policy review	Present the trade policy of Afghanistan and a comparison of trade and transit data related to Afghanistan from last five years	Improve Afghanistan trade policy in the future	14-Sep-14	Kabul	Kabul	Kabul
C1	Workshop on introduction of Afghanistan trade	Present the trade policy of Afghanistan and a comparison of trade and transit data related to Afghanistan from last five years	Improve Afghanistan trade policy in the future	16-Sep-14	Kabul	Kabul	Kabul

	policy/trade statistics						
C2	TIR awareness and training workshop for transport operators	Introduce TIR a and understand the benefits of TIR System	Increase awareness and build capacity of local transport operators	17-Sep-14	Kabul	Kabul	Kabul
C2	TIR awareness and training workshop for transport operators	Introduce TIR a and understand the benefits of TIR System	Increase awareness and build capacity of local transport operators	18-Sep-14	Kabul	Kabul	Kabul
C1	MOPH food regulations working group	Review food additives and substances permitted and prohibited for use in food	Improve document on exchange of information	14-Sep-14	Kabul	Kabul	Kabul
C1	MOPH food regulations working group	Review food additives and substances permitted and prohibited for use in food	Improve document on exchange of information	21-Sep-14	Kabul	Kabul	Kabul

ANNEX B: WTO LEGISLATIVE ACTION CHART

During the quarter, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The below table provides the status of WTO-related legislative items as of the end of September 2014. ATAR's active areas of support for quarter are highlighted in light blue.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[3] 2. Ministry of Justice 3. Council of Ministers[4] 4. Parliament 5. President 6. Entry into Force	Laws and Regulations Included in MOJ 1393 Agenda[5]
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	Afghan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	The MOJ submitted the draft to the Legislative Committee of Council of Ministers in March 2014. The review of this draft will not start until new government is in place.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted. ATAR supported establishment of a working group in July 2014 to review the draft with new ACD staff. ATAR worked with legal department to finalize the draft. The draft has been submitted to the Director General for approval.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA) Sayed Agha Hashimi Farhat Farhat	ANSA Management Board completed its review and shared a Dari version of the law with track changes with ATAR for analysis. Changes were translated to English. ATAR launched review of draft.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation	On August 23, the Legislative Committee of the Council of Ministers approved the draft	Council of Ministers	Yes

[3] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[4] Regulations go to the Council of Ministers and do not proceed further.
[5] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

		and Livestock (MAIL) Siyar Sahar Luis Flores	and submitted it to the Secretariat of the Council of Ministers to be included on the agenda of the General Meeting of the Council of Ministers. The Council of Ministers approved the draft in September 2014		
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Agha Hashimi John Woodford	ATAR assisted MAIL in finalizing the draft law during June to September 2014. The draft law was presented to the MAIL Minister on Sept. 27, and the Minister approved the law. MAIL submitted the draft to MOJ through an official letter on Sept. 30 to MOJ. ATAR will assist the MOJ-related department to start reviewing the draft during the last quarter of 2014. ATAR will conduct a seminar during the second half of October regarding the draft law for MOJ staff.	Sponsoring Ministry	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Agha Hashimi Gary Stefan	MAIL had raised concerns regarding the authority of MAIL and MOPH with regard to food safety and requested MOJ and MOPH to stop working on the draft. MAIL requested information on options to best implement Afghanistan's food safety system. ATAR presented the options based on best practices to the MAIL Minister on Sep 27. The Minister called for a meeting between MAIL, MOPH, MOCI and MOF Ministers to take place in near future to decide on the food law and food safety requirements in Afghanistan.	Ministry of Justice	Yes
8	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	MOJ submitted the law to the Council of Ministers in March 2014. The Council of Ministers has not yet begun review and is not likely to start before new Council of Ministers is in place.	Council of Ministers	Yes
10	Amendments to the Law on Trade Marks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	MOJ submitted the draft to Parliament in April 2014. In July 2014, the Economics and Financial Commission of the Parliament (Lower House) reviewed the amendments and had no comments. The draft was further shared with other commissions for feedback.	Parliament	Yes

11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	In July 2014, MOJ submitted the draft amendments to the Legislative Committee of the Council of Ministries. During the reporting period, ATAR worked closely with MOIC and MOJ to refine responsibilities of the Copyright Board.	Council of Ministers	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	The draft was included on the agenda of the General Meeting of Council of Ministers on August 9, 2014. The Council of Ministers, chaired by the President, approved the draft. On August 20, the Council of Ministers submitted the approved law to MOJ for Pashto translation and further legislative process. When the Pashto is complete, the law will be submitted to Parliament.	Council of Ministers[6]	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	The draft is at MOJ and the relevant legislative department MOJ has started reviewing the draft law.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI Wali Faqirzaad Polly Maier	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments (not WTO related). MOJ is working on the draft after approval of the amendments.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR is working with MOCI to encourage MOJ to include the draft on this year's agenda. During this period, ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection in Afghanistan. ATAR collected data for the pre-assessment.	Sponsoring Ministry	No

[6] The geographical indications law will be sent to the Parliament in the coming weeks.

19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad Drew Sundberg	MOCI, Ministry of Finance, Ministry of Education, and the Afghanistan Chamber of Commerce and Industries (ACCI) participated in a working group meeting on Aug. 17 to discuss amendments. ATAR provided justification for the amendments on the basis of WTO.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar Drew Sundberg	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi Drew Sundberg	MOJ included the draft on its agenda for the fourth quarter of the Afghan year 1393 but agreed to bring it forward to the second quarter. During the reporting period, ATAR assisted MOJ in working group meetings to review the draft. Thirteen articles of 19 have been reviewed. The aim is to finalize the draft at technical level of MOJ in November and then have it submitted to the executive board of MOJ.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi Drew Sundberg	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review. ATAR assisted ACD to conduct a working group meeting on Aug. 6 to review the procedure.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO. ATAR will present the outcome of the analysis in October 2014	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance Siyar Sahar Farhat Farhat	The Afghanistan Revenue Department (ARD) said the draft was finalized and submitted to MOJ. MOJ said it did not receive the draft.	Sponsoring Ministry	N/A

26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi Drew Sundberg	The draft is awaiting review by the relevant MOJ legislative department. MOCI and ATAR are encouraging MOJ to include the law on this year's agenda.	Ministry of Justice	No
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The Lower House approved the law; the law is pending approval by the Upper House.	Parliament	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on August 11.	President	Yes

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Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

Quarterly Report
July-September 2015







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ACRONYMS

AAFFCO	Association of Afghan Freight Forwarding Companies
ABADE	Assistance in Building Afghanistan by Developing Enterprises
ACCI	Afghanistan Chamber of Commerce and Industries
ACD	Afghanistan Customs Department
AEO	Authorized Economic Operator
AMA	Afghanistan Marble Association
ANCA	Afghanistan National Customs Academy
ANSA	Afghanistan National Standards Authority
APTTA	Afghanistan-Pakistan Transit Trade Agreement
APTTCA	Afghanistan Pakistan Transit Trade Coordination Authority
ASYCUDA	Automated System for Customs Data
ATAR	Afghanistan Trade and Revenue Project
BCP	Border Crossing Point
BMM	Border Management Model
CAREC	Central Asia Regional Economic Cooperation
CATF	Central Asian Trade Forum
CBTA	Cross-Border Transport of Persons, Vehicles, and Goods
CHAMP	Commercial Horticulture and Agriculture Program
CSO	Central Statistics Organization
DAB	Da Afghanistan Bank
EGAT	Economic Growth and Trade
EIF	Economic Integration Forum
EPAA	Export Promotion Agency of Afghanistan
FAIDA	Financial Access for Investing in the Development of Afghanistan
FICCI	Federation of Indian Chambers of Commerce and Industries
GDP	Gross Domestic Product
GIROA	Government of the Islamic Republic of Afghanistan
GIZ	Gesellschaft für Internationale Zusammenarbeit
GSP	Generalized System of Preferences
HKIA	Hamid Karzai International Airport
ICD	Inland Clearance Depot
IRU	International Road Transport Union
ISO	International Organization for Standardization
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MOCI	Ministry of Commerce and Industries
MOFA	Ministry of Foreign Affairs
MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOTCA	Ministry of Transportation and Civil Aviation
MOPH	Ministry of Public Health
MOU	Memorandum of Understanding
PATTTA	Pakistan Afghanistan Tajikistan Transit and Trade Agreement
PCA	Post Clearance Audit

PPQD	Plant Protection and Quarantine Department
PRA	Pest Risk Assessment
RADP-S	Regional Agricultural Development Program-South
RADP-W	Regional Agricultural Development Program-West
REC	Regional Economic Cooperation project
RKC	Revised Kyoto Convention
SAARC	South Asia Association for Regional Cooperation
SAFTA	South Asian Free Trade Area Agreement
TAFA	Trade Accession and Facilitation for Afghanistan project
TFA	Trade Facilitation Agreement
TIR	Transports Internationaux Routiers
TPAU	Trade Policy Analysis Unit
WCO	World Customs Organization
WTO	World Trade Organization

A. PROJECT OVERVIEW

Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global market.

ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is based in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support regional customs activities and works in Tajikistan, Kyrgyzstan, Turkmenistan, and Uzbekistan to strengthen Afghanistan's trade ties in Central Asia. ATAR provides assistance to improve the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through the country's critical transition period.

Specifically, ATAR is tasked with:

1. Improving the capacity of the Government of Afghanistan to create and implement a liberal policy framework for trade and investment in accordance with international standards;
2. Enhancing integration in the regional and world economy through the promotion of trade and agreements, enhanced governance of corridors, and private-sector linkages throughout South and Central Asia;
3. Strengthening revenue generation for fiscal sustainability and trade facilitation through reforms and anti-corruption measures in customs.

These objectives are achieved through three ATAR components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to the World Trade Organization (WTO). This support is accomplished by building the necessary technical capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime within the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with countries such as Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan.

Component 3: Improved Customs Administration

Component 3 will enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

B. EXECUTIVE SUMMARY

Component 1: Support Trade Policy Liberalization

Summary of key achievements

ATAR worked closely with the Ministry of Commerce and Industries (MOCI) to educate newly appointed government officials on the benefits of Afghanistan's accession to the WTO. The new Minister of Commerce and Industries was convinced of the need to accelerate WTO accession, and President Ghani's office for the first time requested Afghanistan's WTO accession documents. MOCI sent the documents, along with notes on the benefits and importance of WTO accession for Afghanistan, to President's Ghani's office following the request. MOCI and ATAR began working to schedule a presentation at President Ghani's office on WTO commitments, benefits, and challenges.[1] In preparation for Afghanistan's fifth Working Party meeting, ATAR assisted MOCI and other ministries in preparing replies to 90 questions from the WTO that were aimed at fine-tuning Afghanistan's Draft Working Party Report.

With ATAR's continuous support, the Afghan government made significant headway in bringing Afghanistan's trade-related legislation in line with WTO requirements. ATAR provided support to the government as the laws proceeded from stage to stage and helped prepare for implementation of the laws through working groups and awareness seminars. Among the quarterly highlights, the Ministry of Finance approved the Procedure on Advance Ruling on Binding Decisions; the Afghanistan National Standards Authority (ANSA) finalized the Law on Standards and Technical Regulations and sent the draft to the Ministry of Justice (MOJ); the Upper House of Parliament approved the Law on Plant Protection and Quarantine in June and sent the draft law to the President for signature; the Law on Geographical Indications was signed by the President and published in the official gazette; the Legislative Committee of the Council of Ministers approved the Law on Industrial Designs; and MOJ approved the Law on Protection of Trade and Industry Secrets and submitted the draft to the Council of Ministers.

Constraints

Although Afghanistan was well positioned to hold its fifth Working Party meeting, the date of the meeting was pending the decision of the new Afghan government.[2]

Component 2: Facilitate Enhanced Access to Regional Markets

Summary of key achievements

ATAR continued support for Afghanistan and its Central and South Asian neighbors toward greater trade and transit facilitation. In a step toward ratification of the Cross-Border Transport Agreement-Corridor 5

[1] A meeting regarding Afghanistan's accession to WTO occurred in early October between ATAR and MOCI and President Ghani and his advisors.
[2] Following discussions with MOCI, ATAR and his advisors, President Ghani gave clearance in early October for Afghanistan to proceed with WTO negotiations and Afghanistan's fifth, and likely final, Working Party meeting was scheduled for November 11, 2015.

(CBTA) in the Kyrgyz Republic, the Kyrgyz Ministry of Transport said it received endorsements from all relevant ministries on Afghanistan's protocol of accession to the CBTA and sent a letter to MOJ for further approval by resolution of the Kyrgyz government. As a result of ATAR's efforts, Kyrgyzstan held its first working group on conformity with the WTO Trade Facilitation Agreement (TFA), and ATAR participated in subsequent working groups throughout the quarter. In support of improved customs administration in Tajikistan, ATAR held roundtables and training seminars to promote awareness of authorized economic operators and post clearance audit best practices and criteria.

In an effort to increase awareness of Afghanistan's exports, ATAR supported the Export Promotion Agency of Afghanistan (EPAA) in organizing and running the Afghan Pavilion at Expo Milano, which began May 1 and will run through Oct. 31, in Milan, Italy. EPAA said the pavilion receives about 2,000 visitors each day, and its restaurant was ranked among the top restaurants at the exposition, which involves about 140 countries.

Constraints

The conflict between Kyrgyzstan and Tajikistan regarding the Karamyk border crossing point impeded ATAR's work on customs cooperation. In addition, the Turkmen and Uzbek governments are only open for very limited activities with very lengthy bureaucratic procedures.

Component 3: Improved Customs Administration

Summary of key achievements

The pilot phase of electronic payment, or E-Pay, of customs duties continued with a focus on Hamid Karzai International Airport and the Kabul Inland Clearance Depot. Major communications companies such as Etisalat, MTN, AWCC, and Roshan are using E-Pay to pay their customs duties. Revenue generated from E-Pay comprises more than 25 percent of total revenue collected in the airport. It is expected that this figure will rise considerably with the closure of Da Afghanistan Bank (DAB) branches.

Afghanistan Customs Department (ACD) and DAB began discussions for the roll-out of E-Pay at Balkh, Hairatan, and Andkhoy later this year. ATAR continued to work with the DAB in efforts to move towards full-automation of E-Pay through the development and implementation of a software "patch." This patch will allow the DAB banking system and the ACD processing system to interact on an automated level and facilitate electronic acquittal of customs declarations.

Constraints and critical issues

Security concerns regarding ACD prevented ATAR's expatriate staff from embedding at the site. The staff conducted short visits and meetings at ACD where possible and relied as necessary on local ATAR staff who continued to work at ACD with intermittent security restrictions.

C. COMPONENT 1: TRADE POLICY LIBERALIZATION

1. Support WTO Accession Process

ATAR updated newly appointed government officials on Afghanistan's progress toward WTO accession and the benefits of membership to the organization. At the request of the newly appointed Minister of Commerce and Industries, MOCI Deputy Minister Mozammil Shinwari, with ATAR support, gave a presentation on August 30 to the Minister of Commerce and other deputy ministers and directors on WTO commitments, benefits, and challenges. The Minister was convinced of the need to accelerate WTO accession and agreed that Deputy Minister Shinwari should deliver the presentation to the President.

Afghanistan's WTO Progress

Afghanistan is in its final stages of WTO accession.

In early 2014, Afghanistan completed its bilateral market access negotiations, which represent around 60 percent of the WTO accession process.

By March 2014, Afghanistan's Working Party proceedings, which represent around 40 percent of the accession process, were 90 percent complete.

Remaining work relates to adoption of WTO-related legislation and resolution of certain policy issues.

Afghanistan's fifth Working Party meeting had been scheduled for November 2013 and for April 2014, but the meeting was cancelled both times due in part to the protracted Presidential election and delays in approval of the travel of the Afghan delegation.

As a result of the efforts of MOCI, with support from ATAR, President Ghani was convinced of the benefits of WTO accession in early October and gave the green light for negotiations to proceed. Afghanistan's fifth Working Party, and likely final, meeting is slated for November 11, 2015.

Two days later, President Ghani's office for the first time requested MOCI send Afghanistan's WTO accession documents. MOCI sent Afghanistan's WTO accession documents, along with notes on the benefits and importance of WTO accession for Afghanistan, to President's Ghani's office following the request. The package included a note on competitiveness, which ATAR developed in August. MOCI and ATAR began working to schedule a presentation at President Ghani's office on WTO commitments, benefits, and challenges.[3]

Throughout August and September, ATAR assisted the Ministry of Commerce and Industries (MOCI) and other ministries in preparing replies to 90 questions from the WTO that were mainly aimed at fine-tuning Afghanistan's Draft Working Party Report. As of the end of September, about eight policy-related questions required further consultations between MOCI and related ministries, particularly the Ministry of Finance and ACD.

[3] A meeting regarding Afghanistan's accession to WTO occurred in early October between ATAR, MOCI, President Ghani, and his advisors. President Ghani subsequently gave clearance for Afghanistan to proceed with WTO negotiations and Afghanistan's fifth, and likely final, Working Party meeting was scheduled for November 11, 2015.

2. Support Legislative Reforms for WTO Conformity

The Afghan government must reform and amend a wide array of legislation to conform to WTO rules and Afghanistan's commitments. This lengthy, complex process is presented in simplified form in the chart.[4] These diverse laws cover every aspect of a modern, vibrant trading regime – including customs reform, trade facilitation, intellectual property rights, food safety, and standardization.



Throughout the quarter, ATAR continued to assist at every stage of the legislative process from line ministry to Parliament.

The following table provides the status of WTO-related legislative items as of the end of September. ATAR's active areas of support for the quarter are highlighted in light blue, and laws that have progressed in status during the reporting period are bolded. Among the highlights of the quarter:

- The Ministry of Finance/ACD approved the Procedure on Advance Ruling on Binding Decisions in July.
- ANSA finalized the Law on Standards and Technical Regulations and sent the draft to MOJ in July.
- The Upper House of Parliament approved the Law on Plant Protection and Quarantine in June and sent the draft law to the President for signature in July.
- The Legislative Committee of the Council of Ministers approved the Law on Industrial Designs in July.
- The MOJ approved the Law on Protection of Trade and Industry Secrets and submitted the draft to the Council of Ministers in July.
- The Law on Geographical Indications was signed by the President and published in the official gazette in August.

[4] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	**Legislation**	**Responsible Government Authority/ ATAR Employee**	**Status**	**Stage: 1. Sponsoring Ministry[5] 2. Ministry of Justice 3. Council of Ministers[6] 4. Parliament 5. President 6. Entry into Force**	**Laws/Regulations Included in MOJ Agenda[7]**
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	**Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)**	**ACD Wali Faqirzaad Brian O'Shea**	**The Ministry of Finance/ACD approved the procedure in July 2015. ATAR updated the English version of the procedure and submitted the document to ACD in September 2015.**	**Sponsoring Ministry**	N/A
4	**Law on Standards and Technical Regulations**	**Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat**	**In July 2015, ANSA's management board approved the draft law and sent it to MOJ.**	**Ministry of Justice**	**Yes[8]**
5	**Law on Plant Protection and Quarantine**	**Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores**	**In June 2015, the Upper House of Parliament approved the draft law. In July 2015, the law was submitted to the President for signature.**	**President**	**Yes**
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	In the prior quarter, ATAR assisted MOJ's Education, Culture, and Health Department in conducting meetings on the draft. Once the review is finalized, the law will proceed to MOJ's Executive Committee.	Ministry of Justice	Yes

[5] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[6] Regulations go to the Council of Ministers and do not proceed further.
[7] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.
[8] Although not on the 1393 or 1394 agenda, MOJ has agreed to consider the draft Law on Standards and Technical Regulations.

7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During a meeting chaired by both deputy ministers in August 2015, MAIL and MOPH agreed both ministries will implement the law jointly and their jurisdiction will be defined in a regulation. ATAR provided technical support by preparing and reviewing the proposed language of the regulation. In September 2015, MAIL and MOPH continued discussions on areas of responsibility and jurisdiction.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure in April 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	In June 2015, the Legislative Committee of the Council of Ministers held its first session on the law. The Adviser of the Second Vice-President and other participants had comments. In August, ATAR reviewed the comments, aligned them with WTO, and provided explanations to the Advisor of the Second Vice-President and other stakeholders. In September 2015, ATAR submitted the draft to MOJ. After reviewing comments and proposals of stakeholders, MOJ will resend the law to Council of Ministers.	Ministry of Justice	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In February 2015, the President endorsed the law. On May 20, 2015, the law was published.	Entry into Force	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	In June, ATAR finalized the draft with the Afghanistan Development and Peace Research Organization, which had proposed changes. MOJ and ATAR are reviewing the draft to ensure the changes are acceptable.	Council of Ministers	Yes
12	**Law on Geographical Indications**	**MOCI** **Wali Faqirzaad** **Polly Maier**	**The President endorsed the law on August 4, 2015, and it was published in official gazette on August 17.**	**Entry into Force**	**Yes**

13	**Law on Industrial Designs**	**MOCI Wali Faqirzaad Polly Maier**	**In July 2015, the Legislative Committee of the Council of Ministers approved the draft with minor changes. The draft was sent to the Cabinet, and the Cabinet approved the law on August 25. ATAR is assisting MOJ in translating the law from Dari into Pashto. Upon completion, the law will be sent to the Lower House of Parliament.**	**Council of Ministers**	**Yes**
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	In June 2015, the Supreme Court submitted the amendments to MOJ with comments and modifications.	Ministry of Justice	Yes
15	**Law on Protection of Trade and Industry Secrets (undisclosed information)**	**MOCI Siyar Sahar Polly Maier**	**In July 2015, MOJ submitted the draft to the Council of Ministers.**	**Council of Ministers**	**Yes**
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	In April 2015, ATAR succeeded in including the law in MOJ's legislative plan. The Council of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	In August 2015, MOJ finalized the draft with ATAR support. The law will be sent to the Legislative Committee of the Council of the Ministers.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	In June 2015, ATAR met with the Minister of Commerce and Industries, who said he was prepared to resolve any problems agencies had with WTO laws, including this law. Upon his request, ATAR prepared a summary of the draft law. ATAR will submit it to the Minister, who will encourage the MAIL Minister to proceed with the draft.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In June 2015, the amendments on the law were submitted to the Legislative Committee of the Council of Ministers. In July 2015, ATAR updated the English version of the amendments.	Council of Ministers	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	During June 2015, ATAR had two sessions with MOJ on the draft.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft is finalized and will be adopted once the Law on Foreign Trade is adopted.	Sponsoring Ministry	N/A

23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature. MOCI, with ATAR support, requested ACD's Director General act on the draft. ACD management changes delayed final signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	On August 30, 2015, ATAR assisted MOCI in sending a letter to MOPH highlighting parts of the regulations inconsistent with WTO and requesting a reduction of fees for producers so the fees match those charged importers; this would comply with WTO and eliminate discrimination between producers and importers.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR met with the Afghan Revenue Department (ARD) in April 2015 to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	During April and May 2015, ATAR assisted MOJ in reviewing the draft law.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entry into Force	Yes

3. Support Implementation of WTO Laws and Commitments

Intellectual Property Rights

International intellectual property conventions

During the quarter, ATAR delivered three presentations on intellectual property conventions to MOCI directorates assigned by the MOCI Deputy Minister to review the conventions.

ATAR delivered a presentation on the Paris Convention for Industrial Property on July 1, on the Singapore Treaty on the Law on Trademarks on August 3, and the Madrid Protocol of International Registration for Trademarks on August 15. ATAR explained the relation of the treaties with intellectual property and discussed the benefits of the treaties to Afghanistan.

At the end of the presentations, the MOCI directorates agreed on membership to the international conventions. Afghanistan was requested by WTO Working Party members to join these conventions as part of the country's accession to WTO.

In late August, MOCI sent an official letter to the Ministry of Foreign Affairs (MOFA) with documents requesting membership to the Paris Convention, Singapore Treaty, and Madrid Protocol. In September, ATAR followed up with MOFA to process the documents; the MOFA is in consultations with other ministries to ensure the conventions comply with the Afghan constitution and legal system.

Copyrights

In support of the Law on Copyrights, ATAR assisted MOIC's copyright office in August in preparing two forms for copyright registration – one for literary and scientific works and the other for artistic works. MOIC approved both forms, and MOIC is expected to start voluntary registration of copyrights this year.

Sanitary and Phytosanitary Measures

Food safety

In support of implementation of the Law on Food Safety, ATAR conducted training on food hygiene and food safety. In August and September, ATAR conducted six trainings on general principles of food hygiene for 12 MOPH staff and other stakeholders. The training will enable the participants to serve as instructors who will deliver the training to members of the government, private sector, and academia.

In September, ATAR provided two trainings for three MOPH employees on the WTO sanitary and phytosanitary process for determining the equivalence of different food safety systems. ATAR held a third session at the end of the month as a review and to discuss the actions that MOPH will need to take to establish an equivalence system. Equivalence is an important WTO concept and is designed to simplify trade by having WTO members accept, where feasible, the technical regulations and conformity assessment procedures of other trading partners.



ATAR delivered five trainings on food hygiene and food safety for MOPH staff and other stakeholders.

On September 30, ATAR conducted a training session for 13 MOPH staff and other stakeholders on the draft Law on Food Safety. The session highlighted changes made to the law after it underwent review at MOJ.

In an effort to help provide Afghanistan with specialists to implement the Law on Food Safety, ATAR compiled, edited, and began translation of twelve chapters of materials for a course on "Introduction to Food Safety" to be presented at the Kabul University-School of Agriculture and the National Agricultural Education College. ATAR provided the professors with the Dari and English versions of chapters one and two of the proposed curriculum for their review.

Phytosanitary

In July and August, ATAR had two roundtable discussions with MAIL's Plant Protection and Quarantine Department (PPQD) to review procedures in support of the Law on Plant Protection and Quarantine. The feedback is being incorporated to improve the procedures.

ATAR also assisted the PPQD in developing Pest Risk Assessments (PRAs) following a five-day training the project conducted on PRAs in May. In August, ATAR monitored the efforts of three groups who are researching and collecting data for the PRAs. ATAR translated two PRAs into Dari and sent them to the PPQD in preparation for further training. PRAs support implementation of the Law on Plant Protection and Quarantine by helping identify risks in commodities being imported, thereby guarding against the

accidental import of pests harmful to Afghanistan's agriculture.

Laboratory analysis

ATAR performed an assessment of the MAIL's veterinary laboratories and MOPH's food and pharmaceutical testing laboratories to help prepare the labs for future accreditation with the International Organization for Standardization (ISO). The laboratories will ensure high-quality goods are exported from Afghanistan and imported into Afghanistan.

ATAR's assessment covered lab infrastructure, including working space, power, plumbing, storage, ventilation, and safety; equipment, including available equipment and equipment needs; standard operating procedures; and proposed organizational charts with current and recommended personnel.

On Sept. 19, ATAR also delivered a training workshop on methods and requirements of ISO17025 tests, calibration, and validation to 16 staff from MOPH drug and food laboratories.



ATAR delivered training to MOPH staff on requirements for IS017025 tests.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Metrology support

ATAR completed a needs assessment for establishing a National Metrology Institute in Afghanistan and preparation of a draft model law on legal metrology covering legal units of measurement. ATAR shared the package with ANSA for consideration and formation of working group to draft Afghan legislation based on the model law.

5. Assist in Building Analytical Capacity

Trade Policy Analysis Unit

ATAR supported MOCI's Trade Policy Analysis Unit (TPAU) in developing partial equilibrium models to assess the impact of Afghanistan's WTO tariff commitments on trade flow, trade diversion, fiscal revenue, balance of payments, gross domestic product, employment, and consumer welfare. ATAR assisted TPAU in identification of 15 economic sectors in which Afghanistan has the potential for the development of production and export, including agricultural goods, industrial sectors, and food processing industries such as wheat and wheat flour production.

In September, ATAR demonstrated application of economic models by running WTO accession scenarios. Based on the simulations, imports and revenue of Afghanistan will not be affected as result of WTO membership, and exports may increase in long run up to 20 percent to the WTO member countries, which may provide an additional increase of 1.8 percent to the gross domestic product.

6. Assist in Building WTO Awareness

ATAR finalized and delivered presentations to raise awareness of the benefits and challenges of WTO accession to a range of audiences in partnership with MOCI. ATAR delivered a WTO awareness presentation to about 50 students and professors from Kabul University on September 16; 15 officials from the media and MOCI, ACD, and ANSA on September 21; and 10 representatives of the private sector on September 28. MOCI's Director General and MOCI's Trade Expert from the WTO unit supported ATAR in delivering the presentations.



MOCI's Director General spoke at a training to raise awareness of the WTO.

MOCI's Trade Expert delivered the final presentation largely on his own, with limited support from ATAR. These initial presentations are preparing the WTO Unit, with ATAR's assistance as necessary, to deliver WTO awareness sessions in the project's third year to targeted audiences in Kabul and possibly other provinces.

ATAR drafted a one-year WTO accession campaign and public outreach program for discussion with MOCI. In support of the outreach program, ATAR completed preparing presentations covering WTO

commitments and impacts for Afghanistan; WTO impacts for Afghanistan and recent WTO members; WTO impacts on regional trade and economic relationships, addressing trade with Pakistan; and WTO commitments of individual Afghan ministries. ATAR also prepared a briefing paper, "The Realities of Afghanistan's WTO Accession: Countering the Myths," and related talking points and shared the documents with MOCI and MAIL.

Component 1: Planned Activities

- Continue dialogue with the President's office and preparation of requested materials for issues of concern to the President
- Assist in updating and finalizing the WTO accession package
- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting in November 2015 and the WTO Tenth Ministerial Conference in Nairobi in December 2015
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Continue support in development of implementing legislation/procedures and building capacity to implement food law, plant quarantine, veterinary law, intellectual property laws
- Launch support in developing implementing legislation/procedures for the Law on Safeguards and build capacity of the safeguards unit at MOCI
- Launch support related to development of draft Law on Anti-Dumping Duties and Law on Countervailing Duties
- Launch support to developed capacity of competition policy authority at MOCI
- Assist MAIL and MOPH in conducting internal audits of their food safety laboratories based on ISO 17025 and correcting any deficiencies
- In conjunction with MOPH and other stakeholders co-deliver food safety training at MOPH, MOCI, Kabul University, and the National Agricultural Education College.
- Continue support for applying to intellectual property conventions
- Conduct WTO awareness events
- Continue supporting the TPAU including launching the development of a general equilibrium model

D. COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. Afghanistan

Trade/Business Promotion

ATAR supported Afghanistan's participation in an international exposition in Italy and prepared for the participation of Afghan traders in two regional trade events in India, a business-to-business event in Dubai, and one event in Kazakhstan. These events help to boost the image of Afghanistan's exports and pave the way for business deals for Afghan traders.

ATAR supported EPAA in organizing and running the Afghan Pavilion at Expo Milano, which began May 1 and will run through Oct. 31, in Milan, Italy. In Milan, ATAR drafted a plan and agenda for a





Visitors toured the Afghanistan Pavilion at Expo Milano 2015.

"Day of Afghanistan" event, including holding meetings with different Expo Milano offices; prepared a video highlighting Afghanistan's participation, including conducting interviews with visitors and an Expo Milano official; and supported EPAA in other logistical and organizational tasks in the pavilion. EPAA said the pavilion receives about 2,000 visitors each day, and its restaurant was ranked among the top restaurants at the exposition, which involves about 140 countries.

In an effort to increase Afghanistan's trade with India, ATAR coordinated with USAID's Regional Agricultural Development Program-South (RADP-S), USAID's Commercial Horticulture and Agriculture Marketing Program (CHAMP), and USAID's Financial Access to Investing in the Development of Afghanistan (FAIDA) to prepare for an Afghan Pavilion at the India International Trade Fair to be held November 14-17 in New Delhi, India. ATAR began assisting about 40 interested Afghan exhibitors to book their exhibition space online. ATAR will support the participation of six women traders in the show by providing them with exhibition space and will train them as well as ten other women traders supported by UN Women.

ATAR and EPAA also planned for a "Made in Afghanistan" branding event in India with the Federation of Indian Chamber of Commerce and Industries (FICCI), RADP-S, and CHAMP. The event is anticipated to occur in December 2015. FICCI plans to invite about 150 Indian importers of fresh and dried fruit, and EPAA will invite about 50 Afghan traders.

ATAR and USAID's Assistance for Building Afghanistan by Developing Enterprises (ABADE) worked together to promote Afghan carpets to American buyers. ABADE invited 20 buyers from the United States for a business-to-business meeting in Dubai in August. ATAR identified 25 Afghan carpet producers who participated in the event and assisted the carpet producers in preparing their company profiles.

In support of trade opportunities between Afghanistan and Kazakhstan, ATAR, EPAA, and USAID's Regional Economic Cooperation (REC) project identified Afghan participants for the Central Asian Trade Forum (CATF) that will take place in Almaty from October 28-29. ATAR worked with EPAA to identify

42 Afghan participants for CATF, which is being supported by REC. ATAR is coordinating with the participants for their Kazakh visas and providing technical assistance.

TIR awareness

ATAR continued support to Afghanistan in helping Afghan exporters and transport operators in utilizing the Transports Internationaux Routiers (TIR) Convention.

What is TIR?

Transports Internationaux Routiers (TIR) is a customs transit system that simplifies the movement of cargo across at least one border. The principles and guidelines for implementing TIR are described in the TIR Convention 1975. In September 2013, TIR was reactivated in Afghanistan after three decades of suspension.

On August 10, ATAR and MOCI held an event to brief transport operators and other stakeholders on TIR. Thirty-five participants attended, including representatives from the Ministry of Transport and Civil Aviation (MOTCA), ACD, Afghanistan Chamber of Commerce and Industries (ACCI), MOFA, Association of Afghanistan Freight Forwarding Companies (AAFFCO), and Afghanistan's traffic police. Participants discussed green lanes/express lanes for TIR operators, and ATAR briefed the group on upcoming TIR events, including a TIR Roundtable held on August 23 and a TIR Workshop on August 24-25. ATAR assisted in preparation of these events with the International Road Transport Union (IRU), MOCI, MOTCA, ACD and ACCI.



ATAR held a briefing on TIR and upcoming TIR events for transport operators.

On August 15, ATAR attended a National Conference on Surface Transportation. ATAR's previous discussion and recommendation on the National Transport Association and revision on transport laws were on the agenda. ATAR participated in a working group held during the event to discuss TIR and

transit. MOTCA organized the event with participation from the President's office, the Ministry of Public Works, ACCI, and AAFFCO.

In September, ATAR conducted a meeting with MOTCA and ACCI. Participants decided at the meeting that the National Transport Association will be an entity supported by the new transport laws to be created in MOTCA. The National Transport Association will house an IRU Academy that will run TIR and transport-related courses for the private transport sector.

Preparation for regional trade meetings

What is SAFTA?

The South Asia Free Trade Area (SAFTA) is a regional free trade agreement between Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. These countries form the South Asian Association for Regional Cooperation (SAARC).

ATAR began supporting MOCI in preparing for the Tenth Meeting of the South Asia Free Trade Area (SAFTA) Committee of Experts and the Ninth Meeting of the SAFTA Ministerial Council in Kabul. ATAR and MOCI planned activities for the event, finalized the venue, and identified communications material. The meetings, which had been anticipated this quarter, are now expected to occur in the first quarter of 2016.

ATAR also assisted MOCI in compiling issues to be taken up in the 10th Pakistan-Afghanistan Joint Economic Commission (JEC) meeting. The meeting had been scheduled to be held in Islamabad in August, but was postponed. The new date has yet to be finalized.

What is APTTA?

The Afghan and Pakistani governments signed the Afghanistan Pakistan Transit Trade Agreement (APTTA) in October 2010, and Afghanistan ratified the agreement in January 2011. APTTA replaced an outdated 1965 transit agreement and improved the joint transit system. The Afghanistan-Pakistan Transit Trade Coordinating Authority (APTTCA) was created to administer and oversee APTTA.

In addition, ATAR also continued to assist MOCI in updating issues related to the Afghanistan Pakistan Transit Trade Agreement (APTTA) and preparing for the next Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting. The APTTCA meeting was scheduled for September but was postponed. The Afghan and Pakistani governments are confirming the new date.

ATAR provided online technical support in clarifying provisions and best practices to the Afghan delegation during the second round of negotiations on the Lazuli Trade and Transit Agreement held in Georgia in August 2015. The Lapis Lazuli Corridor aims to facilitate transit and trade cooperation among Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey and would provide a cost-effective route connecting Asia and Europe.

Trade facilitation support

ATAR assisted ACD in July on a bilateral Agreement on Mutual Administrative Assistance and Cooperation on Customs Matters intended to be reached between Afghanistan and Pakistan. After review of a proposal from Pakistan, ACD requested that ATAR assist in drafting new legal text for the agreement

as a counterproposal from Afghanistan. ATAR drafted and submitted to ACD new text for the agreement. Apart from the mutual administrative assistance, which is in line with a World Customs Organization (WCO) model, the Afghan proposal has a wider scope, including other areas of cooperation such as establishment of joint customs controls at the common borders and creation of customs exclaves in the territory of either country.

In an effort to promote investment from India and Pakistan, ATAR assisted MOCI during the quarter in identifying regulatory issues that need to be addressed following a request from President Ghani that MOCI identify impediments in bringing investment from India and Pakistan. ATAR assisted MOCI in developing an action matrix for investment promotion.

ATAR also began working with FAIDA and EPAA to facilitate loans for Afghan exporters using a memorandum of understanding between EPAA and Afghanistan International Bank and Afghanistan Rural Finance Company under which EPAA can recommend Afghan exporters to obtain export credit from these financial institutions at a 2 percent lower interest rate. ATAR helped support the development and signing of this memorandum in April 2015.

In addition, ATAR assisted CHAMP in July in preparing a proposal requested by MOCI on an export fund through which agricultural exporters could have easy access to credit. The Minister of Commerce and Industries informed CHAMP that the ministry had funds that can be used for this purpose. CHAMP sent the proposal to MOCI.

ATAR worked with the Afghanistan Marble Association (AMA) to promote Afghan marble abroad. The Afghan government had introduced a ban on the export of Afghan marble in rough form. ATAR assisted the association in working with the Afghan government to remove the ban. The Afghan government withdrew the ban during the quarter after AMA raised the issue with the government.

2. Kyrgyzstan

WTO TFA

Kyrgyzstan's first WTO Trade Facilitation Agreement (TFA) working group meeting, which was sponsored by GIZ, was on held on July 24. The working group members included officials from the Ministry of Economy, the customs policy department and trade policy departments, the customs brokers association, the suppliers association, the Single Window Enterprise, the veterinarian and phytosanitary departments, and the Kyrgyz Chamber of Commerce and Industry.

What is WTO TFA?

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved WCO Revised Kyoto Convention (RKC) provisions, a number of improved provisions in existing WTO agreements, and new trade facilitation provisions. This new agreement presents a new framework for promoting regional reforms to facilitate trade, reduce corruption, improve transparency and private sector participation, and strengthen transit rights. The agreement will enter into force when two-thirds of the WTO member countries submit a letter of acceptance to the WTO Trade Facilitation Committee.

ATAR conducted a presentation of the tasks to be performed by the working group. During the session, the group divided the 40 sub-articles into three categories and assigned three groups to review them and determine the next steps required to begin work necessary to gain compliance.

ATAR supported subsequent TFA working group meetings that occurred about twice a week throughout the quarter. ATAR worked with the Kyrgyz Customs' Risk Management Department to draft an action plan related to risk management and post-entry control issues under the WTO TFA.

In a further effort to facilitate the ratification of the WTO TFA, ATAR supported official translation of the TFA to the Kyrgyz and Russian languages in August. The translations were sent to the TFA Working Group and the Ministry of Economy, and the agreement was placed on a Kyrgyz trade information website (http://www.trade.kg).

CBTA

In August, ATAR met with the deputy head of the International Relations Department of the Ministry of Transport on the status of the Cross Border Transport Agreement (CBTA). The Ministry said it received endorsements from all relevant ministries on Afghanistan's protocol of accession to CBTA and sent a letter to the Ministry of Justice for further approval by resolution of the Kyrgyz government. The Kyrgyz government is expected to hold an inter-agency meeting on the protocol in November.

What is CBTA?

The Cross Border Transport Agreement (CBTA) between Afghanistan, the Kyrgyz Republic, and Tajikistan helps link East Asia with the Middle East and South Asia through Corridor 5. Corridor 5 connects East Asia to the Arabian Sea through Central Asia. The corridor is one of the six transport corridors that traverse the Central Asian Economic Cooperation (CAREC) region. CAREC brings together Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan and promotes regional projects.

Afghanistan signed the accession protocol to join the CBTA in November 2011. However, due to discrepancies in the English and Russian versions of CBTA, the countries agreed to re-sign the protocol.

AEO

ATAR continued working on developing recommendations for establishing an Authorized Economic Operators (AEO) program in Kyrgyzstan. In August, ATAR translated parts of the Customs Union Code that pertain to authorized AEO and recommended an amendment to the draft customs code of Kyrgyzstan. ATAR recommended the threshold for becoming an AEO be reduced from €500,000 as that level is restrictive for most Kyrgyz companies. Such a program would enable customs to move low-risk cargo expeditiously through the ports of entry and border crossing points.

What is an AEO?

An AEO is defined by the WCO as a party involved in the international movement of goods, that has been approved by, or on behalf of, a national customs administration as complying with WCO or equivalent supply chain security standards. A person having AEO status will be granted special trade facilitation privileges.

Customs Consultative Council

In August, ATAR supported preparation for the next Customs Consultative Council, which occurred October 1, by assisting in drafting an agenda for the review of businesses and Kyrgyz Customs.

3. Tajikistan

Support to the Tajikistan State Customs Service

ATAR continued to develop the model concept for an AEO program for the Tajikistan State Customs Service. The model includes criteria for participation, benefits, operational aspects, proposed amendments to the customs code, and a methodology for implementation.

In August, ATAR held two roundtables to promote awareness of AEO best practices, criteria, and principles most suitable for adaptation in Tajikistan. On August 27, ATAR held a roundtable targeting customs brokers, transport and logistics company representatives, customs officers, and representatives from the Ministry of Economic Development and Trade. On August 31, ATAR held a second roundtable for the Tajik State Customs Service, which is preparing to amend customs legislation to enable an AEO program.

In an effort to improve the post clearance audit (PCA) approach of Tajikistan State Customs Service, ATAR conducted a five-day training program in mid-September on PCA at the Customs Institute for Professional Development in Tajikistan. Thirteen participants, mainly from the Tajikistan State Customs Service, participated in the training. ATAR also held a roundtable targeting customs brokers and

What is PCA?

Post clearance audit is an audit-based customs control performed subsequent to the release of cargo from customs' custody. The purpose of such an audit is to verify the accuracy and authenticity of declarations and covers the control of traders' commercial data, business systems, records and books.



ATAR held a five-day training on customs post clearance audits in Tajikistan.

representatives of transport and logistics companies to promote awareness of how to prepare for and comply with a customs audit.

In addition, ATAR contributed to an action plan for the Tajikistan State Customs Service to achieve compliance with the WCO Revised Kyoto Convention (RKC). ATAR's contribution was based on analyses conducted by USAID's Trade Accession and Facilitation for Afghanistan (TAFA) project in May 2013 and was shared with the GIZ trade facilitation team upon the request of the Ministry of Economic Development and Trade. During this quarter, the Tajikistan government ratified a decree confirming their commitment to achieve compliance with the RKC; ATAR, in partnership with GIZ, will work with the Ministry of Economic Development and Trade and Tajik Customs for the adoption of this plan.

Support to the Ministry of Economic Development and Trade

On July 14, ATAR participated in a working group called "Modernization of the system of food safety control in Tajikistan" organized by USAID's REC project. ATAR discussed the impact of food safety measures that may be introduced at cross-border stations with respect to cargo in transit. The Ministry of Economic Development and Trade will submit a proposal to the Tajik government on the adoption of a single agency of food safety control.

Private-sector support

On July 24-25, ATAR collaborated with the Sughd Regional Administration and other donors on a regional trade fair called "Sughd-2015" in Khujand. The fair brought together more than 100 exhibitors from Afghanistan, Belarus, Kazakhstan, Kyrgyzstan, Latvia, Poland, Russia and Turkey from sectors such as agriculture, light industry, food production, services, and construction materials. The fair was preceded by a trade forum discussing ways to facilitate trade and exports of the Sughd region.



ATAR collaborated with the Sughd Regional Administration on a regional trade fair in Tajikistan.

ATAR circulated the event invitation to Afghan producers, ACCI, and Kabul Chamber of Commerce and Industries (KCCI). ATAR participated in both the forum and the fair, identifying and meeting with Afghan participants and discussing opportunities for Afghan private-sector involvement in a similar event to be conducted in 2016 in the southern region of Khatlon to be sponsored by UNDP's Aid for Trade and the project for Livelihood Improvement in Tajik-Afghan Cross- border Areas (LITACA) with the Khatlon and Sherkhan Bandar business councils.

PATTTA

In August, ATAR continued to support the Ministry of Economic Development and Trade, the State Customs Service and the Ministry of Transport on the proposed Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA).

What is PATTTA?

PATTTA would extend the Afghanistan Pakistan Transit and Trade Agreement (APTTA) to Tajikistan, providing Pakistan and Afghanistan with access to Central Asian countries and providing Tajikistan with access to Pakistan's seaports by way of Afghanistan. PATTTA would also improve upon APTTA by better facilitating trade and reducing costs.

On August 4, ATAR conducted a meeting to discuss progress on PATTTA as well as to finalize the Russian text of the Tajik counter-proposal. The third trilateral forum on the proposed agreement is expected to be held in Kabul.

4. Turkmenistan

Export promotion support

ATAR explored the possibility of the Turkmen textile industry meeting Afghan buyers' needs and cooperation between Afghan businesses and Turkmenistan's Ministry of Textile Industry. ATAR held two meetings with the head of the Department of Foreign Economic Affairs of the Ministry of Textile Industry of Turkmenistan. In the first meeting, fabric samples from Afghanistan were presented to identify production potential of Turkmen factories to produce materials for Afghanistan. In the second meeting, the head of the department provided fabric samples produced by Turkmen factories for Afghan counterparts. ATAR gave samples of the fabrics produced by the Turkmen factories to the Chairman of Afghanistan's Balkh Chamber of Commerce and Industry to assess the quality.

ATAR also provided USAID's Regional Agricultural Development Program-West (RADP-W) project in Afghanistan with Turkmen fruit and vegetable market information to identify the potential to export Afghan agricultural products to Turkmenistan.

ATAR researched market demand for grapes, tomatoes, and cucumbers and facilitated contact with the Turkmen Transportation and Logistics Co., which has trucks on both sides of the border to transport produce from Afghanistan to Turkmenistan. In addition, ATAR provided Berouge Paints Co. in Afghanistan with Turkmen market information to develop a strategy to enter the Turkmen market and facilitated contact with Transportation and Logistics Co. to deliver Berouge Paints to Turkmenistan.

Quarterly activity plan and proposals

ATAR prepared and submitted the project's quarterly activity plan for October through December to USAID Turkmenistan, which will submit it to the Ministry of Foreign Affairs of Turkmenistan. At the request of USAID/Ashgabat, ATAR proposed technical assistance, in response to governmental interest, to deliver export development training for carpet industry representatives and proposed a seminar on export promotion strategies for the Institute on Research of Commodity Circulation of Turkmenistan's

National Goods, the Institute of Strategic Planning and Economic Development of Turkmenistan, and the Chamber of Commerce and Industry of Turkmenistan.

ATAR also prepared and submitted technical assistance proposal for the State Association "Turkmencarpet." ATAR submitted the proposal to USAID Turkmenistan, which will submit it to the Ministry of Foreign Affairs of Turkmenistan. ATAR's proposed technical assistance included training for the carpet industry representatives; facilitation of business-to-business matchmaking events for carpet industry officials to meet potential business partners; preparation of an export promotion strategy for the Turkmen carpet industry; and facilitation of Turkmenistan's participation in the Domotex carpet exhibition in Germany.

5. Uzbekistan

Customs support

During a meeting in July with USAID/Almaty, Uzbek customs expressed appreciation for the May 2015 training provided by ATAR on risk management and AEO and wanted to know whether ATAR could support with respect to risk management software. ATAR began looking into the matter and seeking further clarification on their needs.

In August, ATAR finalized a proposal for customs valuation training and shared the proposal with the Association for Development of Business Logistics (ADBL). ATAR started preparing additional proposals for training Uzbek customs on post-clearance. Once finalized, these proposals will be submitted through official letter for consideration by authorities.

Trade facilitation

In September, ATAR launched a trade route mapping study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. The study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan.

After preparing a questionnaire, ATAR began collecting data from transportation/logistics and customs brokerages. The Uzbek Chamber of Commerce and Industries and ADBL are supportive of this effort and assisted in data collection. They also committed to facilitating the presentation of report, once prepared, for public discussions among stakeholders.

Per request of ADBL, ATAR also reviewed a concept presentation for establishing a major logistics center in Uzbekistan. ATAR prepared comments for meeting best practices and shared these with ADBL in August.

6. Cross-Cutting

TIR Convention

On July 20-24, ATAR visited New Delhi, India, to assess the country's readiness to accede to the TIR Convention. ATAR interviewed FICCI, All India Transporters Welfare Association (AITWA), the Asia Institute of Transport Development (AITD), and private transport operators.

ATAR concluded that it was premature for the country to accede to TIR. The country has a significant maritime industry, which lowers the importance of land transport. However, India is interested in referring to TIR technical elements to draft a regional motorway act with Nepal and Bhutan.

Country-specific action plans

ATAR completed developing country-specific action plans based on its regional study on comparative advantages and trade complementarity.

Component 2: Looking Forward

- Continue to support the PATTTA process
- Continue to support the Lapis Lazuli process
- Complete development and finalization of modalities for Afghan customs at Karachi; transshipping in Peshawar; and a single border stop at crossing point Afghanistan-Pakistan
- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Facilitate the development of a memorandum of understanding on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Support the Tajikistan State Customs Service on the national strategy for integrated border management
- Promote WTO TFA ratification in Kyrgyzstan
- Launch in Kyrgyzstan detailed conformity assessment with WCO RKC
- Build post-clearance audit capacity of Kyrgyz Customs
- Continue trade route mapping study linking Uzbekistan and India and Arabian Sea
- Continue supporting SAFTA implementation
- Support EPAA in building export promotion capacity of Afghan consulates/embassies
- Continue supporting EPAA in its participation in Expo Milano 2015
- Participate in CATF in Almaty in October 2015

E. COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. Support Regional Integration

ATAR assisted ACD on the draft memorandum of understanding (MOU) with the United Arab Emirates regarding closer cooperation on exchange of information. The MOU is under review by the Ministry of Foreign Affairs.

2. Institutionalize the Border Management Model

ATAR continued to monitor the implementation of the Border Management Model (BMM) through weekly reporting from regional staff. The weekly reports highlight examples of best practices and areas of concern that need to be raised with ACD's Director General.

What is BMM?

Afghanistan's Border Management Model (BMM) establishes clear roles and responsibilities for ACD, which is responsible for cross-border trade, and the Afghan Border Police (ABP), which is charged with immigration and national security at the borders.

The model encourages information sharing between the two entities to stem corruption, smuggling, and other illegal activities. The aim of the model is also to reduce interaction with other agencies operating at the border, thereby speeding trade across the border.

3. Strengthen the Customs Code and Customs Policies

ATAR continued to support ACD in a review of its customs regulations and procedures to help ensure that they are aligned with international standards. ATAR concentrated its technical assistance on reviewing and improving the PCA legislation with the legal department. At the present time, the legislation supports post clearance activities as an enforcement function and not as a compliance function as supported by the WCO.

4. Implement Risk Management Systems

ATAR progressed risk management with support to ACD's risk management working group, risk management training to ACD officers, and installation of new equipment for the national anti-smuggling hotline.

What is Risk Management?

In the past, ACD policy required all imports and exports undergo a physical examination; this caused delays in clearing goods and was an inefficient use of staff resources.

In 2012, ACD implemented a revised strategy based upon the principles of risk management. Risk management is an internationally accepted approach to using limited resources to focus on trade transactions that pose the greatest risk and allow other trade transactions to be cleared with minimal or no controls.

ATAR met with ACD's Director of Enforcement and members of the risk management working group to discuss progress in analyzing Jalalabad data. The working group analyzed the data and provided ATAR with a brief overview. The analyses will be used to determine changes to risk categories and project the number of future examinations in green (release), yellow (documentary check) and red (examination) lanes, which will assist in focusing resources on non-

compliant trade. The risk management working group will next begin working on an analysis of data from Herat.

On August 24, ATAR delivered refresher training in completion of the Automated System for Customs Data (ASYUCUDA) Profile Request 1 (APR1), which is used for request and approval of risk profiles, to 14 ACD officers, including those from the risk management working group.



ATAR delivering risk management training to ACD officials.

5. Implement Electronic Payment of Customs Duties

The pilot phase of electronic payment, or E-Pay, of customs duties continued with a focus on Hamid Karzai International Airport (HKIA) and Kabul Inland Clearance Depot (ICD). Major communications companies such as Etisalat, MTN, AWCC, and Roshan are using E-Pay to pay their customs duties. Revenue generated from E-Pay comprises more than 25 percent of total revenue collected in Hamid Karzai International Airport. It is expected that this figure will rise considerably with the closure of DAB branches. ATAR had worked closely with DAB and ACD to reach an agreement on electronic payment and implement the system.



A representative of an Afghan telecommunications company (right) checked with an ACD official if a release note was ready following the company's E-Pay of customs duties.

On August 12, ATAR met with representatives of AWCC, MTN, and Roshan to enquire about their use of E-Pay. Overall, participants offered positive feedback, citing the ease of paying electronically and reduced expenses since they do not have to provide security for the transport of cash. They also had recommendations for improvement that ATAR will bring to the attention of ACD and DAB.

ACD and DAB began discussions for the roll-out of E-Pay at Balkh, Hairatan, and Andkhoy later this year. ATAR continued to work with the DAB in efforts to move towards full-automation of E-Pay

through the development and implementation of a software "patch." This patch will allow the DAB banking system and the ACD processing system to interact on an automated level and facilitate electronic acquittal of customs declarations.

6. Increase Gender Representation in ACD

ATAR's second internship program at ACD began with the recruitment of four female interns in September. In addition, ATAR started with the process of recruiting five males for the program. ATAR held its first internship program in late 2014, placing young university graduates at ACD for six months to prepare them for a possible career at ACD or to give the foundation for a job in the trade sector.

7. Reduce Corruption at ACD

ACD reviewed ATAR documents on the Internal Audit Unit and Professional Standards Unit. In September, ATAR submitted a summary of each unit, as requested by ACD after review. ATAR will meet with the ACD Director Support and Development to progress this initiative including the implementation of working groups in each area.

In August, at the Jalalabad ICD, ATAR assisted ACD in implementing a sterile office environment in the entry processing unit to reduce interaction between brokers and traders with customs officers and decrease opportunities for corruption. ATAR will support ACD's implementation of this method in other regions.

8. Implement Outreach Programs

ATAR will support ACD in an outreach campaign for the national anti-smuggling hotline after a date has been decided for the public launch. ATAR will also support ACD in distributing e-pay marketing materials at customs sites in the regions and support ACD to implement an awareness campaign on currency control. The Director General requested support in in reviewing customs currency controls at HKIA and to increase awareness of the rules on customs declaration for cash taken out of the country.

9. Support Streamlined Customs Procedures

ATAR regional specialists continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures, which contains thirteen steps. The latest status report highlights that all ICDs have introduced additional steps. ATAR will work with ACD to review additional steps to determine whether they should be removed or not.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	2	2
New steps introduced	4	1	5	3	7
Total additional steps	5	7	6	5	9

TOTAL	**18**	**20**	**19**	**18**	**22**

In addition, ATAR monitored the release times of consignments allocated to either the green (release), yellow (documentary check), and red lane (examination). The latest release times are below.

	Green	Yellow	Red
Herat ICD	45 minutes	1 hour 10 minutes	1 hour 30 minutes
HKIA	N/A	N/A	N/A
Jalalabad ICD	54 minutes	1 hour 6 minutes	1 hour 40 minutes
Balkh ICD	1 hour10 minutes	1 hour 30 minutes	2 hours
Aquina ICD	50 minutes	1 hour 30 minutes	2 hours
Shir Khan Bandar	40 minutes	1 hour 10 minutes	1 hour 40 minutes

10. Strengthening the TIR and Transit Regimes

ATAR continued to support ACD in reviewing transport legislation and developing a TIR and transit procedure. In August, with ATAR support, the TIR National Committee finalized a TIR regulation that includes duties and responsibilities of each TIR line organization, such as ACD, MOTCA, and the Afghan Border Police, and the TIR National and Technical Committees. The TIR regulation was sent to MOJ and will be shared with the Afghanistan Cabinet for final approval and implementation.

In September, ACD finalized the TIR procedure with ATAR's support. The procedure included a TIR glossary and duties and responsibilities of departure, in-route, and destination customs houses. The procedure will be shared with ACD's Operations Director and then requires final approval by the Director General and Minister of Finance.

11. Support ANCA

ATAR finalized draft standard operating procedures (SOPs) for Afghanistan National Customs Academy (ANCA), and ACD's Director of Support and Development is reviewing the SOPs. ANCA trainers also finalized the review of customs induction material developed by the Border Management Task Force (BMTF) and continued to develop trainers' notes for each module.

At ANCA's request, ATAR printed BMTF presentations to form the basis of a training library. ATAR also completed management modules in introduction to management; role of a manager; leadership; communication; decision-making; influencing; motivation; problem solving; team building; time management; effective presentation skills; and chairing meetings. These modules will include exercises for the trainees to allow them to transfer theory into their daily business environment. ATAR printed those modules as part of the library.

ATAR and ACD agreed on a timetable for ATAR to provide "how to deliver" training on subjects including mobile verification teams; intelligence; APR 1 forms; pocket notebooks; selectivity and targeting; and risk management.

In their
Component 3: Looking Forward

- Continue regional work with ACD
- Progress the full implementation and automation of e-payment
- Continue to assist ACD in reviewing regulations and procedures
- Support ANCA in reviewing training material, developing new material, and delivering training
- Support ANCA in implementing training curriculum and standard operating procedures
- Continue implementation of the enforcement plan
- Support publicity launch for national anti-smuggling hotline
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency
- Assist ACD in the development and support of working groups tasked with implementing the Internal Audit Unit and Professional Standards Unit
- Support of implementing a professional post clearance audit function
- Provide technical assistance to ACD in TIR and Transit
- Continue to draft appropriate modality assessment for collection of customs revenue in Pakistan
- Develop training modules in management and leadership skills
- Support risk management working group and PCA working group
- Recruit for and support new internship program

F. ACTIVITY IMPLEMENTATION

ATAR Project Objective: Improved trade environment for Afghanistan, fostering increased investment, export, and market-based employment opportunities

USAID Afghanistan DO1: Sustainable, Agricultural-led Economic Growth Expanded
USAID OEG Afghanistan Mission PMP IR 1.1: addressed: Employment Opportunities
USAID OEG Afghanistan Mission PMP Sub-IR 1.1.4: addressed: Regional Trade Increased

USAID Afghanistan DO3: Performance and Legitimacy of Government of the Islamic Republic of Afghanistan (GIROA) Improved
USAID OEG Afghanistan Mission PMP IR 3.1: addressed: Citizens Hold the Government of the Islamic Republic of Afghanistan (GIROA) Accountable
USAID OEG Afghanistan Mission PMP Sub-IR 3.2.2: addressed: Policies and Procedures Improved

Indicator Table[9]

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical Transition Period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit)	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO)	$6.8 billion in 1393 (ACD)	$6.8 billion in 1393 (ACD)	Tracking only	Trade volume is defined as the licit trade value of goods brought into Afghanistan (import), the value of Afghan goods sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). Total volume of trade in 1393 was $6,797,675,878.64 based on ACD data, including imports ($6,297,561,293.97) and exports ($500,114,584.66).
2	Growth in (real) gross domestic product (GDP) per capita	Outcome/ Impact Required by Prime Contract	By sector	Central Statistics Organi-zation (CSO), World Bank Report	Annual	$21 billion in 1391 (CSO)	$20.8 billion (2014) World Bank Statistics Data	$20.8 billion (2014) World Bank Statistics Data	Tracking only	Missions are not expected to report on this indicator. The information is tracked by USAID's Economic Growth and Trade (EGAT). Annual percentage growth rate of GDP per capita based on constant local currency. GDP per capita is gross domestic product divided by midyear population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

[9] Annual statistics gathered by GIROA are reported according to the Afghan solar calendar, in which 1391 covers March 2012 to March 2013; 1392 covers March 2013 to March 2014; and 1393 covers March 2014 to March 2015.

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#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
3	Foreign trade (X-M) as a percentage of GDP	Outcome/ Impact Required by Prime Contract	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank)	Import 47%, Export 6% 2013 (World Bank)	Import 47%, Export 6% 2013 (World Bank)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world.
4	Value of goods imported to the U.S. taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD, CSO	Annual	$123,500 (1391)	Will be reported next quarter	Will be reported next quarter	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.
5	Export	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$500 million in 1393 (ACD)	$500 million in 1393 (ACD)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. Disaggregation by country: exchange rate $1=57.38 AFN India = $152.69 million; Pakistan = $141.51 million; UAE = $41.81 million; Turkey = $29.83 million; Tajikistan = $29.55 million; Iran= $19.78 million; Others = $71.48 million
6	Import	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$6.29 billion 1393 (ACD)	$6.29 billion 1393 (ACD)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. Note: Based on ACD's data in 1393, total value of Afghanistan imports was $6.29 billion. Disaggregation by country: Exchange rate $1=57.38 AFN Pakistan = $1.18 billion; China = $1.41 billion; Iran = $973.75 million; Turkmenistan = $382.54 million; Kazakhstan = $371.14 million; Japan = $329.77 million; Uzbekistan = $300.63 million; Malaysia = $292.92 million; Others = $1.31 billion
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2015)	184 (Doing Business Annual Report 2015)	Tracking only	The World Bank Doing Business report presents quantitative indicators compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2015 report, Afghanistan is ranked 184 out of 189 countries.
8	Ease of Doing Business rank	Outcome/ Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	183 (Doing Business Annual Report 2015)	183 (Doing Business Annual Report 2015)	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small- to medium-sized business when complying with relevant regulations. Based on the 2015 report, Afghanistan is ranked 183 out of 189 countries.

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#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
9	Number of public policies introduced, adopted, repealed, changed or implemented consistent with citizen input	Outcome/ Impact USAID requested indicator	Policies introduced Policies adopted Policies repealed Policies changed Policies implement-ed	Project/ program document-ation, direct observatio n, analysis of secondary data and third-party observatio n (i.e. monitoring of public policy by local NGO)	Annual	0	0	0	Tracking only	Public policies include any law, regulation, policy or similar directive that is formally adopted by either the legislative branch or a unit of the executive branch at any level.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
10	Reduction in discrepancy between the Central Statistics Office and ACD on trade statistics	Output USAID requested indicator	N/A	CSO/ACD	Annual	27%	19.90%	19.90%	10%	The difference between values reported by ACD and CSO divided by the average of the two values, shown in percentage.
PIR 1.1: WTO accession process finalized										

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#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
11	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarter-ly	0	24	6	30	Bringing the legal framework in line with WTO agreements is a pre-condition for becoming a member. This indicator will capture progress made when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement. 1. Law on Plant Protection and Plant Quarantine submitted to the Council of Ministers by MOJ 2. Law on Animal Health and Veterinary Public Health submitted to MOJ by MAIL 3. Law on Indication of Production Place submitted to Council of Ministers by MOJ 4. Law on Trademarks approved by Council of Ministers and submitted to Parliament 5. Amendments to the 2005 Customs Law submitted to Council of Ministers by MOJ 6. Amendments to the Patents Law submitted to Councils of Minister by MOJ 7. Procedure on Intellectual Property Border Enforcement submitted to the Minister of Finance for signature 8. Procedure on Intellectual Property Border Enforcement came into force on April 12, 2014 9. Draft Copyright Law submitted on July 27, 2014, to the Council of Ministers by MOJ. 10. Draft Law on Animal Health and Veterinary Public Health submitted to MOJ by MAIL 11. Draft Law on Indication of Production Place submitted to Parliament in Oct. 11, 2014 12. Draft Law on Trademarks approved by Lower House and submitted to Upper House of Parliament in Oct. 29, 2014 13. Trademark Law approved by Upper House. 14. Trademark Law endorsed by President. 15. Topography of Integrated Circuits Law sent to MOJ. 16.Draft Law on Plant Protection and Quarantine approved by Economic Commission of the Lower House 17. The Geographical Indications Law approved by the Parliament 18.The Trademark Law published by MOJ and came into force 19. Ministry of Finance/ACD approved the Procedure on Advance Ruling on Binding Decisions on July 14, 2015 20. The draft Law on Standards and Technical Regulations was submitted to MOJ in July 2015 21. MOJ submitted the draft Law on Trade Secrets to the Council of Ministers July 7, 2015 22. MOJ submitted the draft Law on Industrial Designs to Council of Ministers on July 20, 2015 23. The Law on Geographical Indications was endorsed by the President August 2015 24. The Law on Geographical Indications was published in the official gazette in August 2015
12	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quart-erly	0	9	1	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR. The reforms in the project's results are: 1. Institutional proposal accepted by MOCI for establishing a safeguard unit 2. Five ISO mirror committees established: petroleum products and lubricants; food products; textiles; gas cylinders; concrete, reinforced concrete and pre-stressed concrete 3. Mechanism for coordination and cooperation between ANSA and other government entities on enquiry/notification 4. Institutional proposal accepted by MAIL PPQD for establishing three Pest Risk Assessment Units 5. Voluntary copyright registration mechanism established at MOIC

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#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
13	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quarterly	0	39	0	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level with ATAR support. 1. Twelve procedures related to Law on Food Safety drafted and agreed by working group at MOPH 2. Three procedures related to Law on Food Safety drafted and agreed by working group at MOPH during December 2014 - March 2015 3. One procedure related to Law on Food Safety drafted and agreed by working group at MOPH during April-June 2015 4. Draft regulation for implementing Law on Animal Health finalized. 5. Seven procedures for implementing the Law on Animal Health prepared by the working group at MAIL in January-March 2015 6. Five additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during period Nov. 2014-March 2015 7. Four additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during period April-June 2015 8. Draft regulations to implement Law on Plant Protection and Quarantine prepared by working group at MAIL 9. Four draft procedures for implementing Law on Plant Protection and Quarantine finalized 10. Draft copyrights coordination procedure finalized
PIR 1.2: WTO implementation process developed and executed										
14	Number of public events held to discuss trade and business policy matters with stake-holders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	207 events (participants include 1,925 males, 351 females)	9 events (102 participants include 92 males, 10 females)	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, roundtable discussions, and other trade gathering.

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#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	34	3	30	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements to enable necessary adjustments. 1. WTO awareness seminar for MOJ in February 2014 2. Awareness about regional opportunities (Dushanbe business-to-business event) June 2014 3. Fourteen awareness events about food control authority and the legal authority contained in the draft food law and its supporting regulations 4. Three events in October 2014 on building awareness of trade opportunities under CATF and World Food/Almaty 5. Sanitary and phytosanitary awareness seminar at MAIL in February 2014 6.Awareness training seminar on trademarks for the private sector in February 2015 7. Awareness training seminar on procedures for trademark registration for the private sector (February 2015) 8. Awareness training seminar on trademarks for the legal community in February 2015 9.Two training seminar on geographical indications for the private sector in March 2015 10. Two awareness seminar on patents for private sector 11. Three awareness seminar on trademarks for academia 12. TIR awareness workshop for transport operator 13. Three WTO awareness in September 2015
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator Output USAID requested indicator	Province	Project records	Quart-erly	0	30	12	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and trade opportunities. 1. Document for President Karzai office on WTO 2. Presentation developed for WTO awareness seminar for MOJ 3. Awareness materials on TIR 4. Copyrights general pamphlet 5. Copyrights music pamphlet 6. Copyrights publishers pamphlet 7. Copyrights awareness article 8. Educational materials on indication of production of place 9. Presentation to educate Tajik public and private sector about APTTA 10. Note to President Ghani on Afghanistan's WTO Accession 11. Strengthening food safety in Afghanistan 12. Good hygiene practices for businesses 13. SPS agreement awareness power point 14. Note for President Ghani re bilateral trade issues with Pakistan 15. Note for President Ghani re transit trade issues with Pakistan 16. Awareness materials on geographical indications 17. Awareness materials on trademarks 18. Awareness materials on patents 19. Ten WTO awareness presentations and two WTO fact sheets
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
17	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determin ed (TBD) from percep-tion survey	TBD from perception survey	TBD from perception survey	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders.
PIR 2: Regional and global integration enhanced										

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<table>
<tr><th>#</th><th>Indicator</th><th>Indicator Type</th><th>Disaggre-gation</th><th>Data Source</th><th>Timing</th><th>Baseline</th><th>Project Achieve-ment from Start (Nov 2013 to Sep 2015)</th><th>Project Achieve-ment for Quarter (July 2015 to Sep 2015</th><th>Life-of-Project Target</th><th>Notes</th></tr>
<tr><td>18</td><td>Percentage share of trade with regional partners</td><td>Outcome/ Impact

USAID requested indicator</td><td>Country</td><td>National statistics of respective countries</td><td>Annual</td><td>TBD</td><td>See the notes column</td><td>N/A (to be provided end of 2015)</td><td>Tracking only</td><td>This indicator will capture the share of Afghanistan's trade with regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan.
<table>
<tr><th rowspan="2">Country</th><th colspan="2">2013</th><th colspan="2">2014</th></tr>
<tr><th>Import</th><th>Export</th><th>Import</th><th>Export</th></tr>
<tr><td>India</td><td>2.5%</td><td>22.5%</td><td>2.2%</td><td>27.6%</td></tr>
<tr><td>Kazakhstan</td><td>3.7%</td><td>0.4%</td><td>5.6%</td><td>0.8%</td></tr>
<tr><td>Kyrgyzstan</td><td>0.1%</td><td>0.0%</td><td>0.2%</td><td>0.0%</td></tr>
<tr><td>Pakistan</td><td>21.1%</td><td>35.4%</td><td>19.2%</td><td>32.9%</td></tr>
<tr><td>Tajikistan</td><td>0.7%</td><td>2.4%</td><td>0.3%</td><td>5.9%</td></tr>
<tr><td>Turkmenistan</td><td>9.3%</td><td>3.0%</td><td>6.6%</td><td>1.3%</td></tr>
<tr><td>Uzbekistan</td><td>5.3%</td><td>1.9%</td><td>5.6%</td><td>0.5%</td></tr>
</table></td></tr>
<tr><td colspan="11">Sub-IR 2.1: Enabling environment for enhanced access to regional markets established</td></tr>
<tr><td>19</td><td>Number of signed initiatives on regional integration (Disaggregated by signed and launched)</td><td>Output

USAID requested indicator</td><td>Type of initiative</td><td>Project records, MOCI</td><td>Quart-erly</td><td>0</td><td>7</td><td>0</td><td>8</td><td>Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support.
1. Transit and Transport Agreement with Azerbaijan launched
2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed
3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers of Afghanistan
4. Trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan launched
5. Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA)
6. India allowed Afghan trucks to unload cargo in Indian territory
7. Lapis Lazuli Trade and Transit Agreement launched (Afghanistan, Azerbaijan, Georgia, Turkey, and Turkmenistan) launched</td></tr>
</table>

USAID FOIA No. F-00159-16 Partial Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
20	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	21	4	24	This indicator will capture the number of interactions and dialogues between businesses and government organizations in the region on policy reform issues. 1. Two trade facilitation workshops in the Kyrgyz Republic in April and June 2014 2. A session during the Dushanbe business-to-business event related to policy reform involving businesses and government representatives 3. A session led by MOCI/EPAA on March 19, 2014, with women businesses 4. A session at MOCI on July 16, 2014, regarding para-tariffs under SAFTA 5. A session at MOCI on July 17, 2014, regarding issues related to rules of origin 6. Session on regional trade challenges and practices under an export development course in the Kyrgyz Republic in May 2014 7. Two roundtables in Kabul with private sector to discuss problems related to APTTA 8. Transport and logistics workshop held in Kyrgyzstan on Dec 22, 2014 9. Three public-private roundtables in Dushanbe on PATTTA in Feb. and March 2015 10. One public-private forum in Bishkek on the WTO TFA in March 2015 11. A session led MOCI to finalize SAFTA sensitive list in consultation with private sector, ACD and other ministries 12. Seminar on promoting Afghan exports to South Asia entailed significant dialogue between 80 businesses and government officials from MOCI and MOF/ACD 13. A roundtable in Bishkek on trade facilitation involving Ministry of Economy, border agencies, and traders on April 21 14. Roundtable in Tajikistan on August 21 on AEO 15. Co-planned the IRU TIR Roundtable on 23 August and the TIR National Capacity Building Workshop in Kabul, on August 24-25, 2015. 16. Roundtable with private transport sector in Ministry of Commerce and Industries on TIR, Kabul, on August 10 2015 17. Roundtable at MOC with private sector in early August concerning APTTCA meeting
21	Number of proposals discussed to harmonized customs procedures or documents on transit corridors	Output USAID requested indicator	N/A	ATAR project records	Annual	0	12	3	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays. ATAR launched a number of customs harmonization initiatives, including risk management and post clearance audit,that are ongoing. 1. Memorandum on information exchange and trade facilitation between Afghanistan and Tajikistan 2. Memorandum on mutual exchange of risk management information in customs mattes (Afghanistan, Kyrgyz Republic, and Tajikistan) 3. Modality for single border stop between Afghanistan and Pakistan 4. Recommendations for conformity with WTO TFA in Afghanistan 5. Recommendations for conformity with WTO TFA in Kyrgyz Republic 6. Recommendations for conformity with WTO TFA in Tajikistan 7. Recommendations on advance rulings in Kyrgyz Republic 8. Recommendations on AEO for Uzbekistan 9. Recommendations to improve coordinated border management in Tajikistan 10. Recommendations to Tajik Customs regarding Institutional settings for effective management of post clearance audits and linking audit findings to the risk management system 11. Proposal for establishing AEO in Tajikistan presented to Customs 12. Modality for Afghan customs operating at Karachi port presented to ACD

USAID FOIA No. F-00159-16 Partial Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
22	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/ gender	Project records, EPPA	Monthly	0	813 firms	25	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR. ATAR helped build the capacity of 813 firms, as detailed below: • June 2014 Dushanbe business-to-business event: 45 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, • 107 businesses from Dushanbe business-to-business event • July 2014 EPAA seminar series on market research and international markets: 10 • July 2014 seminar series on global logistics: 8 • October 2014 training and roundtables to prepare for participation in CATF/World Food: 13 • February/March 2014 preparatory meetings for CABOC in Afghanistan: 40 • 20 business attended two trainings on export in Kabul • 110 business attended transport conference in Kyrgyzstan • 81 businesses attended two roundtables and one seminar on export credit • 7 businesses were assisted to participate in Domotex • 15 businesses participated in India Stone Mart • 9 businesses were assisted to participate in Gulfood • 9 business participated in Aahar exhibition • 10 business were trained on Letter of Guarantee • 5 businesses were assisted to participate in World Food Exhibition in Kazakhstan in Nov. 2014 • 13 businesses were assisted to participate in a craft selling exhibition in Italy • 51 businesses comprising of businesses and government officials participated in TIR awareness seminar in Kabul • 22 businesses were participated in access to finance for trader conference • 23 businesses were participated in trade finance training • 80 private exporters participated in seminar on “Promoting Afghan Exports to South Asia” in May 2015 • 25 carpet producers and exporters business-t-business event co-organized with ABADE
• **Sub-IR 2.2 Benefits from enhanced market access expanded**										
23	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6	$2,393 Corridor 5 (2013)	$2,393 Corridor 5 (2013)	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included.

USAID FOIA No. F-00159-16 Partially Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
24	Number of laden vehicles crossing Afghanistan border in each direction	Outcome/ Impact Required by Prime Contract	By Torqundi, Hairatan, Sher khan Bandar, Torkham and Weish	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175,770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Will be reported next quarter	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
25	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CAREC Corridor Performance Management and Monitoring (CPMM)	Annual	$157 (2012)	$235 (2013)	$235 (2013)	Tracking only	The average of total expenses to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable.
PIR 3:Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
26	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million 1392	$752 million 1393	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses.
PIR 3.1: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										

USAID FOIA No. F-00159-16 Partially Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
27	Number of permanent professional positions allocated for women within ACD that have been staffed	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarter-ly	77	1 (58 ACD)	0	Tracking only	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020. Note: The recruitment of females is dictated by the Ministry of Finance tashkeel.
28	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	15	0	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months. Note: From January to June, 15 interns hired by ATAR 4 females and 11 males. Nine interns will be deployed in October, including 4 females.
29	Average number of days required to trade goods across borders (average of export/import time)	Outcome/ Impact Required by Prime Contract	Province	ACD World Bank Doing Business report	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalaba d 4 hours 18 minutes Sher Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Herat: 3 hours and 30 minutes Hairatan: 2 hours 40 minutes Jalalabad 3 hours 30 minutes Shir Khan Bandar: 2 hours 30 minutes Aquina: 2	See Notes	2 hours	This Sub IR indicator is from the World Bank's annual Doing Business report (see the indicator table in the back of the publication). It is a component of the "trading across borders" section, and is comprised of the components called "time to export (days)" and "time to import (days)" **ICD** / **Green** / **Yellow** / **Red** Mazar (Balkh ICD) / 1 hour 10 minutes / 1 hour 30 minutes / 2 hours Aquina ICD / 50 minutes / 1 hour 30 minutes / 2 hours Sher Khan Bandar / 40 minutes / 1 hour 10 minutes / 1 hour 40 minutes Herat / 45 minutes / 1 hour 10 minutes / 1 hour 30 minutes Jalalabad / 48 minutes / 1 hour 8 minutes / 1 hour 35 minutes HKIA / / / Note: No figures for Kabul ICD as ATAR is not working there due to security.
30	Number of documents required to export/import goods across borders decreased as a result of USG assistance	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10 Import/ 10 Export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2015)	10 Import/ 10 Export (World Bank Doing Business report 2015)	Tracking only	Reduction in documents required to trade goods across borders as imports or exports; change in the total number of documents required as per World Bank Doing Business Indicator, confirmed by the Mission. Reducing the number of different documents required in cross border trade is key to maximizing the improved efficiency that trade generates as a basis for faster economic growth and poverty reduction.

USAID FOIA No. F-00159-16 Partial Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
31	Time to export/ import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. The time necessary to comply with all procedures required to export goods. If a procedure can be accelerated for an additional cost, the fastest legal procedure is chosen. Doing Business compiles procedural requirements for exporting a standardized cargo of goods by ocean transport. Documents associated with every official procedure are counted—from the contractual agreement between the two parties to the delivery of goods—along with the time and cost necessary for completion. For exporting goods, procedures range from packing the goods at the warehouse to their departure from the port of exit. The time and cost for ocean transport are not included. Payment is made by letter of credit, and the time, cost and documents required for the issuance or advising of a letter of credit are taken into account. The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators.
32	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	2	2	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline. Implemented: 1. E-payment has been implemented at two locations. National roll-out will start next quarter. 2. Hotline has been re-activated. Outreach campaign will be in next quarter.
33	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	1	1	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management. Note: This will be a priority in the next year. ATAR will undertake an informal review of the current systems in place for risk profiling, risk management profiles (part of internal audit unit review to improve internal compliance), risk registers etc.
34	Number of training modules developed by ATAR	Outcome/ Impact USAID requested indicator	None	ATAR project records	Annual	0	26	9	45	This indicator captures number of modules ATAR developed in support of ANCA: Training modules developed in Year 1: 1. Basic Risk Management; 2. Intermediate Risk Management; 3. Risk Profiling; 4. Valuation Fraud; 5. Valuation (Basic); 6. Professional Standards; 7. PCA Awareness / Implementation; 8. Compliance for Senior Management. Training modules developed in Year 2 (April to June 2015): 1. Mobile verification Team; 2. Vehicle search; 3. Coach search; 4. Airport; 5. Freight; 6 Compliance and risk management; 7. Audit procedures and working papers; 8.Post clearance audit process; 9. Operational and tactical audit planning Training Modules developed in Year 2 (July to September 2015): 1. Time Management Planning; 2. Problem Solving Advanced; 3. Effective Meetings-Participating and Chairing; 4. Management Presentation Skills; 5. Leadership; 6. Influence; 7. Decision Making; 8. Staff Motivation; 9. Management Delegation
35	Revenue collection by electronic means	Outcome/ Impact USAID requested indicator	ICD	ACD	Annual	0	(see note)	(see note)	75%	The collection of revenue by electronic means relates to the amount of ICDs that have ASYCUDA and the percentage of declarations processed through ASYCUDA compared to the total of declarations received at all ICDs. Note: In discussions with USAID, there is confusion whether this is related to implementation of ASYCUDA or E-payment. This needs to be confirmed.

USAID FOIA No. F-00159-16 Initial Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
36	Person hours of training completed in trade and investment enabling environment supported by USG assistance	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	134 trainings (2,433 participants including 2,002 male and 431 female) 1,8548 person hours of training	18 trainings (250 participants including 168 male and 82 female) 1,801 person hours of training	120 trainings/ 1,200 participants	This indicator uses the following equation to express the number of USG-supported training hours that were completed by training participants: Hours of USG supported training course x Number of people completing that training course Support from the USG: This indicator counts training hours that were delivered in full or in part as a result of USG assistance. This could include provision of funds to pay teachers, providing hosting facilities, or other key contributions necessary to ensure training was delivered.
Cross-Cutting Indicators										
37	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarter-ly	0	17	4	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator. 1. Consultative meeting on Feb. 22 with fruit and vegetable businesses 2. Consultative meeting on March 3 with handicraft, carpet, gemstones, and marble businesses 3. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 4. Consultative meeting with KCCI regarding customs valuation practices 5. Working group for development of implementing regulations for food safety law 6. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment 7. Working group on developing implementing legislation for the law on animal health 8. Consultative meeting on sensitive list with stakeholders 9. Consultative meeting with Afghan Marble Association on problems in marble sector 10. Consultative meeting with the ministry of Transport on revising transport laws in the context of TIR 11. Consultative meeting with MOCI on reactivation of TIR 12. Customs consultative meeting in Bishkek between customs and traders on June 18 13. Consultative working group on trade facilitation lake IssykKul June 15-16 14. Roundtable in Tajikistan on Post Clearance Audit in September 2015 15. Roundtable with private transport sector in Ministry of Commerce and Industries on TIR, Kabul, on 10 August 2015 16. Consultative process Aug 15 with Afghan Marble Association on removing ban on export of marble in rough form. 17. Roundtable at MOC with private sector early August concerning APTTCA meeting
38	Person-days of training of key personnel in trade and customs regulation	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	186 days	66 days	70 days	Government, private sector participants, days, hours in trainings of trade and customs regulation.

USAID FOIA No. F-00159-16 Initial Responsive Documents

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Sep 2015)	Project Achieve-ment for Quarter (July 2015 to Sep 2015	Life-of-Project Target	Notes
39	Number of laws, policies, or procedures drafted, proposed or adopted to promote gender equality at the regional, national or local level (GNDR-1)	Output USAID requested indicator	By law, policy, or procedure	Project/ program reporting	Annual	0	0	0	Tracking only	Any law, policy, or procedure designed to promote or strengthen gender equality at the regional, national or local level, which was developed or implemented with USG assistance.

G. COLLABORATION

Links with relevant Afghan government ministries

ATAR's success is dependent on its close relationship with the Afghan government, specifically ACD, MOCI, and other ministries and government agencies relevant to Afghanistan's WTO accession and trade environment. ATAR had staff embedded at ACD, MOCI, and EPAA to work with the entities regularly, but the staff faced frequent security challenges. ATAR's expatriate staff was unable to embed at ACD due to security restrictions; the expatriate staff conducted meetings and short visits as possible and relied on local staff that remained embedded with intermittent restrictions.

Despite the security issues, ATAR continued working closely with ACD, MOCI, and MOJ and other relevant ministries and related entities such as MAIL and MOPH by conducting regular meetings, trainings, and working groups to ensure that government officials were part of the decision-making process and had a thorough understanding of topics such as WTO activities (including draft laws, regulations, and procedures) and international standards.

Links with other donor agencies

In support of the project's activities in Central Asia, ATAR continued to work with other donor agencies, in particular GIZ. ATAR participated in Kyrgyzstan's first WTO TFA working group meeting, which was sponsored by GIZ, in July. In addition, ATAR is working in partnership with GIZ in Tajikistan for the adoption of a plan for compliance with the WCO RKC.

In Afghanistan, ATAR began working with UN Women to support the participation of women traders in the India International Trade Fair to be held in November in New Delhi, India. ATAR will support the participation of six women traders in the show by providing them with exhibition space and will train them as well as ten other women traders supported by UN Women.

Links with other USAID projects

In Afghanistan, ATAR liaised with USAID's CHAMP, ABADE, RADP-S, and FAIDA on events and activities such preparation for the India International Trade Fair to be held in November in New Delhi, India; preparation for a "Made in Afghanistan" branding event to be held in December in India; and a business-to-business event for Afghan carpet producers and America buyers that was held in Dubai during the quarter.

In Central Asia, ATAR was co-located with USAID's REC project at the Chemonics' office in Tashkent, Uzbekistan, and continued to coordinate on regional trade activities. In support of trade opportunities between Afghanistan and Kazakhstan, ATAR, EPAA, and USAID's REC project identified Afghan participants for CATF that will take place in Almaty in October. From Turkmenistan, ATAR provided USAID's RADP-W project in Afghanistan with Turkmen fruit and vegetable market information to identify the potential to export Afghan produce to Turkmenistan.

H. MANAGEMENT AND ADMINISTRATIVE MATTERS

Personnel

The Component 2 Deputy Team Manager position was filled during the quarter. Recruitment for the Component 1 Team Manager and Component 1 Deputy Team Manager was ongoing as of the end of the quarter.

Adaption of the activity

No major changes to the project's statement of work were made during the reporting period.

Modifications and Amendments

No modifications or amendments were made to the contract during the reporting period.

ANNEX A: SNAPSHOTS

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FROM THE AMERICAN PEOPLE

SNAPSHOT

Customs E-Pay Brings Security and Ease

Afghanistan piloted a system that enables importers to pay their customs duties electronically.



A telecommunications company employee checks with a customs official on release of his imports after paying duties electronically.

"The new system is good for us, because it's secure. The money goes from one bank to another bank," said Sayed Hasib from AWCC. "It was very difficult to transport money due to security. Transferring from one bank to another is safe."

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With their imports of expensive, high-tech equipment and large boxes of pre-paid phone cards, Afghanistan's five major telecommunications companies account for half of all the customs duties collected at Hamid Karzai International Airport in Kabul.

The major telecommunications companies such as AWCC, Roshan, and MTN paid their customs duties with hefty amounts of cash. The companies hired armed guards to protect armored vehicles filled with plastic bags bulging with Afghan currency. The vehicles drove to the customs site where the bags were unloaded and hauled into an office so customs officials could count the bills.

Last May, the Afghanistan Customs Department and Da Afghanistan Bank, with the support of USAID's Afghanistan Trade and Revenue project, launched electronic payment, or E-Pay, of customs duties for all importers. The system, which piloted in Kabul and will rollout to customs sites nationwide, transformed payment of customs duties from a high-risk logistical endeavor into a simple electronic transaction.

"The new system is good for us, because it's secure. The money goes from one bank to another bank," said Sayed Hasib, senior logistics officer at AWCC. "It was very difficult to transport money due to security. Transferring from one bank to another is safe."

With E-Pay, an importer can pay customs duties electronically through any commercial bank. After electronic notification of the trader's payment from the commercial bank, the Da Afghanistan Bank branch at each customs office issues a payment confirmation for each transaction and submits it to the customs office. Customs then issues the release order for the goods.

"This is a good initiative for customs to facilitate trade," Adnan Sahil, the customs clearance manager at MTN. "We are happy that we don't have to take a lot of money in cash. Payments in cash take a lot of time, and we could use that time for investment."

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FROM THE AMERICAN PEOPLE

SNAPSHOT

"Amazingly Real Afghanistan" Debuts at Expo

The Afghanistan Pavilion at Expo Milano 2015 is drawing thousands of visitors every day.



A visitor at the Afghanistan Pavilion in Milan, Italy, smells the country's saffron.

"Since the beginning, the first aspect that has impressed me is the commitment of the government and the people of Afghanistan to communicate themselves out of stereotypes," said Filippo Ciantia, a director of Expo 2015.

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Expo Milano 2015 offers visitors the chance to see the world in one place. More than 140 nations, including Afghanistan, are showcasing their sights, sounds, smells, and tastes at the exposition in Milan, Italy.

With the focus of this year's event on food, the Export Promotion Agency of Afghanistan (EPAA) organized the Afghan Pavilion around the "Amazingly Real Afghanistan" tagline – referring to the country's organic produce. In addition to saffron, fruit, and nuts, the pavilion offers a glimpse of another side of Afghanistan.

"We tried to exhibit the tradition, culture, and the products of Afghanistan in the Afghanistan Pavilion in the best way so [visitors] feel like they are in Afghanistan when they go into the pavilion, so they get familiar with the smell of Afghan food," said Navid Mohseni, EPAA's general marketing manager. "The visitors are welcomed by Afghan saffron tea and Afghan sweets."

The pavilion draws about 2,000 visitors daily, many of whom come after seeing the pavilion mentioned in newspapers or hearing about its small restaurant offering traditional cuisine.

"Most [visitors] were not familiar with Afghan food, and they mostly know Afghanistan by war," said Barialai Nazary, the Afghan Pavilion restaurant manager. "I am grateful we could successfully introduce a different Afghanistan with its culture and its food."

USAID's Afghanistan Trade and Revenue project supported EPAA in organizing its participation and creating marketing materials. Preparations for the six-month exhibition began last year.

"Since the beginning, the first aspect that has impressed me is the commitment of the government and people of Afghanistan to communicate themselves out of stereotypes," said Filippo Ciantia, a director of Expo 2015.

Visitors are leaving the pavilion with knowledge of Afghan exports, an appreciation of its food, culture, and history, and a sense of the hospitality underpinning the real Afghanistan.

"It's really a pleasure to know another aspect of your country and this culture," said Danielle, a visitor from Italy.

USAID FROM THE AMERICAN PEOPLE | AFGHANISTAN

MID-TERM EVALUATION (JUNE 4 – AUGUST 23, 2015)

THE AFGHANISTAN TRADE AND REVENUE PROJECT



HAIRATAN BORDER, AFGHANISTAN; Photo Courtesy: Savitri Singh

AUGUST 2015

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Activity Signature Page

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Activity Start Date:	June 4, 2015
Completion Date:	August 23, 2015

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Disclaimer:
The views expressed in this report are those of the author and do not necessarily reflect the views of USAID, the Government of the Islamic Republic of Afghanistan, or any other organization or person associated with this project.

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ACRONYMS

ACBR	Afghanistan Commercial Business Registry
ACCI	Afghanistan Chamber of Commerce and Industry
ACD	Afghanistan Customs Department
ADB	Asian Development Bank
AIB	Afghanistan International Bank
ANCA	Afghanistan National Customs Academy
ANDS	Afghanistan National Development Strategy
ANSA	Afghanistan National Standards Authority
APTTA	Afghanistan-Pakistan Transit Trade Agreement
APTTCA	Afghanistan-Pakistan Transit Trade Coordinating Authority
ARFC	Afghan Rural Fund Company
ASYCUDA	Automated System for Customs Data
ATAR	Afghanistan Trade and Revenue Project
B2B	Business-to-Business
BCP	Border Crossing Point
BMM	Border Management Model
CABOC	Central Asian Business Opportunities Conference
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CATF	Central Asia Trade Forum
CBTA	Cross-Border Transport of Persons, Vehicles, and Goods
CCI	Chamber of Commerce and Industry
CHAMP	Commercial Horticulture and Agriculture Program
CITS	Comprehensive Integrated Tariff System
CPMM	CAREC Corridor Performance Management and Monitoring
CEO	Chief Executive Officer
CO	Country Office
CSO	Central Statistics Office
DAB	Da Afghanistan Bank
DFID	Department for International Development (UK)
EDI	Electronic Data Interchange
ECO	Economic Cooperation Organization
ENP	Enquiry and Notification Point
EPAA	Export Promotion Agency of Afghanistan
E-Pay	Electronic Payment
EPU	Entry Processing Unit
EQ	Evaluation Question
FAIDA	Financial Access for Investing in Development of Afghanistan
FGD	Focus Group Discussion
GATT	General Agreement on Tariffs and Trade

GIROA	Government of the Islamic Republic of Afghanistan
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICD	Inland Clearance Depot
IP	Intellectual Property
IPR	Intellectual Property Rights
IT	Information Technology
KCCI	Kyrgyzstan Chamber of Commerce and Industry
KIA	Kabul International Airport
KIC	Kabul Inland Customs
M&E	Monitoring and Evaluation
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MoCI	Ministry of Commerce and Industries
MOIC	Ministry of Information and Culture
MoJ	Ministry of Justice
MoPH	Ministry of Public Health
MoU	Memorandum of Understanding
NPP	National Priority Program
OSCE	Organization for Security and Co-operation in Europe
PATTTA	Pakistan Afghanistan Tajikistan Transit and Trade Agreement
PCA	Post Clearance Audit
PPQD	Plant Protection and Quarantine Department
Promote	Promote Women in Government
REC	Regional Economic Cooperation project
SAARC	South Asia Association for Regional Cooperation
SAFTA	South Asian Free Trade Area Agreement
SATIS	SAARC Agreement on Trade in Services
TA	Technical Assistance
TAFA	Trade Accession and Facilitation for Afghanistan Project
TCCI	Tajikistan Chamber of Commerce and Industry
TBT	Technical Barriers to Trade
TFA	(WTO) Trade Facilitation Agreement
TIFA	Trade and Investment Framework Agreement
TIR	Transports Internationaux Routiers
TOT	Training of Trainers
TPAU	Trade Policy Analysis Unit
TRACECA	Transport Corridor Europe-Caucasus-Asia
TRIPS	Trade-Related Aspects of Intellectual Property Rights
USPTO	United States Patent and Trademark Office
WB	World Bank
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

I. EXECUTIVE SUMMARY

1. BACKGROUND

The Afghanistan Trade and Revenue (ATAR) is a four-year, USAID-funded project that began on November 7, 2013 and will end on November 6, 2017. Implemented by Chemonics International with a budget of approximately $77.8 million, it continues the work of two previous USAID/Afghanistan activities, Trade and Accession Facilitation (TAFA) I and II, as well as expands their outreach, particularly with respect to regional integration. ATAR supports capacity building at both individual and organizational levels, and has extended its support to both the public and private sectors across the region, especially to the Central Asian Republics (CARs).

ATAR is designed to strengthen the business climate of Afghanistan to enable private investment and enhance trade, job creation, and fiscal sustainability through Afghanistan's critical Transition Period, and continuing into the Transformation Decade. The Project has three components:

Component 1 - Provide technical assistance on trade agreements, World Trade Organization (WTO) accession, and rules compliance;

Component 2 – According to the contract, component two will 1) facilitate the development and implementation of regional trade agreements; 2) assist GIRoA to support measures needed to implement regional trade agreements; and 3) support the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 & 6 by working with countries in the region such as: Uzbekistan, Tajikistan, the Kyrgyz Republic and Turkmenistan..

Component 3 - Provide capacity building for the implementation of reforms in customs (e.g., Border Management Model (BMM), Risk Management (RM), customs procedures modernization and streamlining, customs procedures harmonization with customs of other countries).

ATAR works with many key Afghan Ministries/Departments, including the Ministry of Commerce and Industries (MoCI), the Afghan Customs Department (ACD), the Ministry of Information and Culture, (MoIC), the Ministry of Agriculture, Irrigation and Livestock (MAIL), the Ministry of Public Health (MoPH), the Ministry of Justice (MoJ), the Afghan National Standard Authority (ANSA), and the Export Promotion Agency of Afghanistan (EPAA). In addition, the Project's work extends to key private sector entities, including the Chambers of Commerce, associations, and women's groups, and has a cross-cutting focus on gender.

2. PURPOSE OF EVALUATION

The purpose of this mid-term evaluation is to provide answers to the Evaluation Questions stated in the Statement of Work (Annex 3), and listed below. The evaluation focused on

assessing ATAR's performance from its inception in 2013 to the end of 2014 in achieving its program goals, objectives, and results. We answer Evaluation Question 6 in a table at the end of our Recommendations, for ease of reporting.

1. Is the current status of the legislation for the laws required to join the WTO (particularly the Trade Related Intellectual Property Rights (TRIPS), Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade) consistent with the latest reports by the Implementing Partner about their current status?
2. How effective have been ATAR's efforts to improve the technical abilities of the staff it has worked with at the partner agencies to organize, negotiate, draft and implement the WTO related legislation, regulation, procedures for which they are responsible?
3. To what extent has the technical assistance provided correctly targeted the necessary skills, appropriately delivered, to improve trade policy, transit, and trade capacity with Afghanistan's neighbors (Pakistan, India, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyz Republic, and Kazakhstan)?
4. To what extent was the technical assistance correctly sequenced and/or targeted to enable ministries to accept payment of customs fees from commercial traders and process release forms at commercial banks throughout the country?
5. Which aspects of ATAR's assistance have been most effective in expanding the participation of Afghan women, and, opening career options for these women at the counterpart ministries? As appropriate, identify those approaches that were both effective and the most accepted by ministry staff.
6. How effective has each component of ATAR's technical assistance to institutions been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.

3. Methodology, Limitations, and Definitions

a. Methodology

The ATAR performance evaluation was conducted over a seven-week period by a team of two international consultants and two Afghan consultants. The evaluation was principally qualitative, using a document review, interviews with key stakeholders in the public and private sectors, field visits, focus groups discussions, and telephone and Skype calls.

b. Limitations

The time allotted for the evaluation, the reach of ATAR, and security concerns posed challenges and constraints to the Evaluation Team. The evaluation began during the month of Ramadan, when the work schedule was shortened to accommodate fasting, followed by the three-day Eid holiday. Further, because ATAR spans several ministries, government field

offices for customs operations, and private sector stakeholders both in Afghanistan and South and Central Asia, it was difficult to engage with as many of the partners and beneficiaries as the evaluation team would have liked. With respect to Component 2 of the Project and regional integration, the team relied on phone and Skype interviews with ATAR's regional counterparts. Security concerns added yet another layer of constraints, making visits to the Afghan borders difficult.

c. Definitions

Re-route, when used in a risk management context, means to manually change the ASYCUDA-generated risk level designation to another risk level designation.

Second-level senior staff, when used in the context of the MoCI, means staff under the DG level, *e.g.*, Head of a Unit.

4. Summary Findings and Conclusions

Evaluation Question 1

- ATAR's report on the status of the Legislative Action Plan is consistent with the Government of the Islamic Republic of Afghanistan's (GIRoA's) current reported status on these laws, procedures, and actions.

Evaluation Question 2

- ATAR's Component 1 is on track regarding WTO accession activities.
- ATAR has begun limited capacity development to implement WTO obligations, mostly by preparing ministry officials to respond to the WTO.
- Senior-level officials in the International Trade Directorate have built capacity to negotiate during these past years, starting with TAFA. Negotiating the Afghanistan-Pakistan Transit Trade Agreement (APTTA), in particular, developed capacity and an understanding of the policy impact of negotiations, which is continually being developed. This is sustainable only to the extent that these officials remain in their current positions.
- The capacity to draft legislation and organize varies across ministries and within offices in any given ministry. The relevant ministry units do not have the capacity to draft laws, and have limited capacity to draft regulations and procedures. They have varying capacities to organize. ATAR developed capacity in the government when it worked directly with staff on drafting legislation, and failed to do so when it drafted legislation remotely and handed it to the government.

Evaluation Question 3

- The Export Promotion Agency of Afghanistan (EPAA) is a weak institution. This is due to a number of factors, including EPAA's current lack of financial sustainability.

However, supporting EPAA financially or EPPA's achieving financial independence is outside the scope of ATAR's mandate. ATAR's efforts to support EPAA under its contractual obligations and within the scope of its work plans have included support to regional trade shows/fairs and activities, which have been successful as measured within its defined goals.

ATAR has achieved some promising results so far in the Central Asian Republics. However, it has been hampered by being spread thinly – both geographically and thematically. ATAR's presence within the region appears worth maintaining, but to reach its potential, it requires a clearer focus going forward.

Evaluation Question 4

- E-Pay was correctly targeted and sequenced under the circumstances at the time. So far, the pilot program at Kabul International Airport and Kabul Inland Customs appears to be working well. Generally, the trading community has welcomed it, and it secures the government revenue.

Evaluation Question 5

- ATAR's efforts to increase gender representation at the Afghanistan Customs Department (ACD) were ineffective, including recruiting female interns. In addition, ATAR's efforts to increase the participation of businesswomen in trade have been very weak. While ATAR's Work Plan concerning the interns contained good intentions, the Project did not appear to have a plan to coordinate with either ACD or MoCI for a defined program for the interns.

5. SUMMARY RECOMMENDATIONS

Evaluation Question 1

- ATAR should continue providing technical support and capacity building to the relevant Ministries and Departments regarding the relevant WTO laws, regulations, and procedures.

Evaluation Question 2

- Capacity building in drafting legislation, regulations, and procedures: ATAR should adopt a policy of providing technical assistance and capacity building on site, if possible, and in a working group setting. If security restrictions limit the implementation of such a policy, experts should be available to provide in-depth overviews of the model laws and regulations, followed by technical assistance when needed.
- Building negotiating capacity: Senior MoCI officials should adopt a policy of engaging middle-level staff when discussing negotiating strategies, have them

participate in meetings to the extent feasible, and placing some responsibility on senior staff to develop the negotiating skills of middle-level staff.

Evaluation Question 3

- USAID and ATAR should review the possibilities of and decide how to best narrow the scope of ATAR's work under Component 2 so that it can be more effective. Despite some real strengths and successes, its overall impact appears to be watered down by attempting to do too much with insufficient resources.
- ATAR should consider using the name of Component 2 as its official name within the regions, to clarify purpose and avoid misunderstandings with CAR governments.[1]
- EPAA might consider establishing an online/web-based market place that links regional businesses and traders.
- ATAR, together with USAID, should consider how to improve communication with USAID's CAR regional office in order to share information on activities of mutual interest.
- ATAR should also consider working more closely with Afghanistan's Offices of Commercial Attaché in the CARs relating to business-to-business linages.

Evaluation Question 4

- ATAR should implement the patch to the extent feasible. Support public awareness and rolling out E-Pay to other customs locations.

Evaluation Question 5

- ATAR should learn from other donor projects with gender components that have successfully recruited larger numbers of female interns and placed them in jobs.

Evaluation Question 6 (see table on next page)

[1] Communications problems raised by ATAR's name was a point raised by both ATAR and USAID staff.

Capacity Building with the Trade Policy Analysis Unit (MoCI), Central Statistics Office, and Afghanistan Customs Department

TA/Capacity Building Area	Conclusion	Recommendation for ATAR
MoCI - TPAU	The TPAU lacks the capacity to conduct trade analysis. However, the Unit has developed limited capacity in understanding the impact of trade data on trade policy matters.[2]	Consider including TPAU staff when conducting analyses and assessing policy implications. *The evaluators acknowledge that USAID officials have noted that providing professional capacity building in analysis is beyond ATAR's budget.*
CSO	ATAR improved CSO's outputs – an important function for both the GIRoA and the private sector.	Continue its support to CSO to the extent feasible as well as inform senior officials before hand of upcoming events/activities.
ACD Customs Valuation-GATT-Article VII	ACD is not using international best practices in determining customs valuation. Instead it is using a valuation database that is generally used as a risk management tool.	Work with the ACD to implement customs valuation best practices – the GATT Article VII method of valuation.
Advanced Rulings	ATAR met its Work Plan commitments in technical support on Advanced Rulings to ACD	Continue providing training on Advanced Rulings to the responsible customs officers
Enforcing Intellectual Property Rights (IPR)	More training and awareness are needed, as well as capacity building for ACD, ACBR, and the MoIC. Neither the copyright nor the trademark automatic database is functional.	▪ Help develop Afghanistan National Customs Academy (ANCA) capacity for training regarding IPR enforcement as well as work with the Afghanistan Commercial Business Registry (ACBR), the Copyright Unit, and ACD to build capacity for more uniform IPR enforcement. ▪ Continue its activities in IPR awareness. ▪ To the extent feasible, assist the GIRoA in implementing automated databases for trademark and copyright.

[2] According to USAID officials, ATAR does not have the financial resources to provide professional training to TPAU to develop the needed analytical skills.

Border Management Model (BMM)	There have been mixed results with ATAR's BMM efforts. Also, senior-level ACD officials would like to implement a new BMM. Some scanners are non-functional.	Communicate with ACD on BMM and, to the extent feasible, provide implementation support.
Risk Management	ACD's risk management model does not meet international best practices. Additional training is also needed.	Continue working with ACD to update the risk management indicators/criteria and implement them. Conduct more risk management trainings to ACD and build ANCA's capacity to do so.
Post Clearance Audit (PCA)	ACD has not implemented an international best practices PCA system and is using "PCA" as post payment, pre-cargo release tool.	Continue working with ACD to implement an international best practices PCA program aimed at larger importers.
Fighting Corruption	ATAR assistance is ongoing.	Work with ACD and find a common understanding of what ACD is seeking.
ANCA	ATAR has contributed to better outputs from ANCA. ANCA needs more capacity building and a curriculum.	Continue support to ANCA. Prepare and provide a curriculum to ANCA, including long-term courses.

6. BARRIERS TO IMPLEMENTATION AND SATISFACTION WITH PROJECT

1. Security – Lack of security is a major barrier both to ATAR's ability to build and sustain relationships and build capacity at MoCI and ACD. ATAR's security protocols, especially relating to its national staff, have resulted in serious discontent at MoCI (and ACD).

   Recommendations cannot be made regarding security concerns. However, one point that might be worth considering is that if ATAR employees cannot go to the relevant Offices, the Project might consider having government staff come to the Baron Compound.

2. Translations – there has been widespread complaints that the legal translations ATAR provides are not accurate and that ATAR does not employ translators with technical knowledge. *ATAR counters that its translators do possess the technical knowledge, and that translations are difficult to convey the actual meaning*. We recommend that ATAR annotate the legal text when providing translations.

3. Relationship between ATAR and the GIRoA – While most of the line ministries are pleased to varying extent with ATAR's support, ACD, and to a lesser extent, MoCI, expressed dissatisfaction with ATAR's technical support and capacity building.

Some of this discontent stems from the inability of ATAR to devote more in-Ministry/Unit time at the institutions due to security issues. There is also dissatisfaction with the level of knowledge and experience of ATAR's national staff, and in a few cases, with ATAR's international staff. In addition, both ACD and MoCI claim that they have limited input in hiring the ATAR's staff. *A key ATAR official stated that ATAR follows strict hiring protocols that include participation by the relevant counterparts.*

4. WTO Accession – Despite its dissatisfaction with some aspects of ATAR's support, the MoCI is overall pleased and grateful for ATAR's support regarding Afghanistan's WTO accession process.

II. INTRODUCTION

1. BACKGROUND

The Afghanistan Trade and Revenue (ATAR) is a four-year, USAID-funded project that began on November 7, 2013 and will end on November 6, 2017. Implemented by Chemonics International with a budget of approximately $77.8 million, it continues the work of two previous USAID/Afghanistan activities, Trade and Accession Facilitation for Afghanistan (TAFA). Similar to TAFA I and TAFA II, ATAR supports capacity building at both the individual and organizational levels, and has extended its support to both the public and private sectors across the region, especially to the Central Asian Republics.

ATAR's Theory of Change

The theory of change underlying ATAR "holds that with continued provision of technical assistance to GIRoA related to promoting the necessary policy reforms and capacity strengthening, the resulting better business enabling environment will lead to higher private sector investment, and increase regional trade, economic growth, job creation, and potential for higher domestic revenues."[3]

ATAR's Hypothesis for its Support

ATAR's support is based on the hypothesis that adopting liberalized trade and an enabling investment environment policy will lead to sustainable growth, job creation, and the ability of GiRoA to deliver services and maintain fiscal stability in the medium term. ATAR bases these assumptions on (1) that GIRoA is committed to the reforms made under the Tokyo Mutual Accountability Framework and in its National Priority Programs, and (2) that the security situation in Afghanistan will allow the private sector to take advantage of a liberalized trade and investment regime and better service delivery by investing and creating jobs.

To accomplish this, ATAR's key inputs include technical assistance, training, study tours, as well as providing limited commodities, including IT equipment, that are necessary to sustain and implement reforms in trade policy, promotion, and customs agencies. This support is expected to result in tangible outputs that will lead to the achievement of the project purpose of an Afghan-led liberalized trade policy, including the adoption of a World Trade Organization (WTO)-compliant trade regime, strengthened regional trade and access to markets for Afghan exporters, and the resulting economic growth and jobs creation pursued by the Afghanistan National Development Strategy. ATAR also has a cross-cutting goal of increasing female representation in government.

[3] Evaluation SoW.

ATAR's Components to Achieve its Goals and Purposes

To accomplish its goals and purpose, ATAR's work is divided into three components.

Component 1: Support Trade Policy Liberalization

ATAR's Component 1 supports the liberalization of Afghanistan's trade regime by supporting its accession to the WTO. In doing so, ATAR seeks to assist the GIRoA to formulate a strong, well-coordinated trade and tariff policy that contributes to improved trade policies, laws, and regulations.

The primary focus of ATAR's efforts are: the Ministry of Commerce and Industry (MoCI), with a focus on the Directorate of International Trade and the Afghan Business Commercial Registry; the Afghan Customs Department (ACD) on WTO matters; the Ministry of Agriculture, Irrigation and Livestock (MAIL); the Ministry of Public Health (MoPH); the Ministry of Justice (MoJ); the Ministry of Information and Culture (MoIC); and the Afghanistan National Standards Authority (ANSA).

Component 2: Facilitate Access to Regional Markets

ATAR's Component 2 facilitates the development and implementation of regional trade in four ways. First, it brokers trade and transit agreements. Second, it assists GIRoA in implementing regional trade agreements and reforms. Third, it supports the implementation of the Central Asia Regional Economic Cooperation (CAREC), the Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA), and the South Asian Free Trade Area (SAFTA) Corridors 5 & 6 by working with countries in the region, such as Uzbekistan, Tajikistan, Kyrgyzstan, Turkmenistan, Pakistan, and India. Fourth, it fosters trade promotion and public-private dialogue. Component 2 also focuses on the Export Promotion Agency of Afghanistan (EPAA), as well as regional institutions and private sector entities, including USAID offices.

Component 3: Improved Customs and Tax Administration

ATAR's Component 3 is focused on capacity building, which modernizes, streamlines, and harmonizes customs policies, codes, procedures, and practices. ATAR has been working in ACD, as well as with the Afghanistan National Customs Academy (ANCA).

2. PURPOSE OF EVALUATION

The purpose of this mid-term evaluation is to provide answers to the Evaluation Questions stated in the Statement of Work (Annex 3), and listed below. The evaluation will focus on assessing the activity's performance from its inception in 2013 to the end of 2014 in achieving its program goals, objectives, and results.

1. Is the current status of the legislation for the laws required to join the WTO (particularly the Trade Related Intellectual Property Rights (TRIPS), Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade) consistent with the latest reports by the Implementing Partner about their current status?
2. How effective have been ATAR's efforts to improve the technical abilities of the staff it has worked with at the partner agencies to organize, negotiate, draft and implement the WTO related legislation, regulation, procedures for which they are responsible?
3. To what extent has the technical assistance provided correctly targeted the necessary skills, appropriately delivered, to improve trade policy, transit, and trade capacity with Afghanistan's neighbors (Pakistan, India, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyz Republic, and Kazakhstan)?
4. To what extent was the technical assistance correctly sequenced and/or targeted to enable ministries to accept payment of customs fees from commercial traders and process release forms at commercial banks throughout the country?
5. Which aspects of ATAR's assistance have been most effective in expanding the participation of Afghan women, and, opening career options for these women at the counterpart ministries? As appropriate, identify those approaches that were both effective and the most accepted by ministry staff.
6. How effective has each component of ATAR's technical assistance to institutions been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.

3. Methodology, Limitations, and Definitions

a. Methodology

The ATAR performance evaluation was conducted over a seven-week period by a team of two international consultants and two Afghan consultants. The evaluation was principally qualitative, using a document review, interviews with key stakeholders in the public and private sectors, field visits, focus groups discussions, and telephone and Skype calls. Interview questions were designed to obtain consistent information from stakeholders based on ATAR's Work Plan, reports, and the goals of the Project. A fully-developed methodology is provided in Annex 7.

b. Limitations

The time allotted for the evaluation, the reach of the ATAR Project, and security concerns posed challenges and constraints to the Evaluation Team. The evaluation began during the month of Ramadan, when the work schedule was shortened to accommodate fasting, followed by a three-day Eid holiday. Further, because ATAR spans several ministries, government field offices for customs operations, and private sector stakeholders both in

Afghanistan and South and Central Asia, it was difficult to engage with as many of the partners and beneficiaries as the evaluation team would have liked. With respect to Component 2 of the Project and regional integration, the team relied on phone and Skype interviews with ATAR's regional counterparts. Security concerns added yet another layer of constraints, making visits to the Afghan borders difficult.

c. Definitions

Re-route, when used in a risk management context, means to manually change the ASYCUDA-generated risk level designation to another risk level designation.

Second-level senior staff, when used in the context of the MoCI, means staff under the DG level, *e.g.*, Head of a Unit.

III. FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

This section outlines key findings derived from the fieldwork and analysis. We present the findings in the order of the evaluation questions.

EVALUATION QUESTION 1

Is the current status of the legislation for the laws required to join the WTO, particularly the Trade Related Intellectual Property Rights (TRIPS), Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT), consistent with the latest reports by the Implementing Partner about their current status?

Finding – Legislative Reforms for WTO Accession

ATAR's Component 1 primarily supports the legislative and regulatory reforms needed for Afghanistan's commitments for accession to the World Trade Organization (WTO), and its implementation obligations. In its application, Afghanistan committed to submitting a comprehensive legislative action plan (LAP) outlining a list of current laws, as well as a proposed work program, to achieve full conformity with all WTO rules by the date of accession. The LAP includes the status or intended action of the particular law/regulation and the projected completion date, and therefore represents Afghanistan's legal framework for WTO accession. It is updated as needed and should reflect an accurate status of the WTO-related laws, regulations, and procedures.

Starting with the Trade and Accession Facilitation for Afghanistan (TAFA) Project, in preparation for WTO accession, Afghanistan began to undertake a series of legal reforms by drafting legislation for new laws and amendments to existing legislation, implementing procedures, and moving these measures through the legislative or regulatory process.

Afghanistan submitted its first LAP to the WTO on October 28, 2011, and it is updated as needed. The revised LAP was last submitted to the WTO on March 3, 2014.[4]

Some key laws and the responsible Ministries/Department include:

a. *Trade Related Intellectual Property Rights* (TRIPS): Copyrights and related laws (MoIC); Law on Geographical Indications, Law on Industrial Designs, Patents including The Protection of New Varieties of Plants, The Layout-Designs of Integrated Circuits, and Undisclosed Information Including Trade Secrets and Test Data (MoCI);

b. *Sanitary and Phytosanitary* (SPS): the Law on Food Safety (MoPH); The Law on Animal Health and Veterinary Public Health and the Law on Plant Protection and Quarantine (MAIL); and

c. *Technical Barriers to Trade* (TBT): The Law on Standards and Technical Regulations (ANSA).

Conclusion

Our review finds that ATAR's report on the status of the LAP is consistent with GIRoA's current reported status on these laws, procedures, and actions.

Recommendation

ATAR should continue providing technical support and capacity building to the relevant Ministries and Departments regarding the relevant WTO laws, regulations, and procedures.

Annex 1 contains a comparison of MoCI's and ATAR's LAP status report.

EVALUATION QUESTION 2

How effective have been ATAR's efforts to improve the technical abilities of the staff it has worked with at the partner agencies to organize, negotiate, draft, and implement the WTO-related legislation, regulation, and procedures for which they are responsible?

Finding – Capacity and Sustainability of ATAR's Partners

ATAR's Component 1 focuses primarily on supporting WTO accession and the implementing obligations. The MoCI is the lead Ministry responsible for Afghanistan's WTO accession.[5] Other key line ministries/agencies include the MAIL, both the Plant Protection

[4] WTO Accession Status for Afghanistan, WTO website: https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?Query=(%20@Symbol=%20wt/acc/afg/*)&Language=ENGLISH&Context=FomerScriptedSearch&languageUIChanged=true#

[5] The relevant offices are Deputy Minister of Trade, DG of International Trade, and the DG of Commercial Business Registry. The relevant Units under the Directorate of International Trade are Trade Policy Analysis Unit, which collects trade data for analysis, the Unit of Bilateral Trade Agreements, the Unit of Regional Trade Agreements and the WTO Unit.

Directorate and Veterinary Health Directorate; the MoCI; the MoPH; the MoJ; and ANSA. Also, WTO obligations include activities related to ACD functions – the Customs Code, Customs Valuation, and Intellectual Property Enforcement. We address the Findings regarding ACD in Evaluation Question 6.

WTO Accession involves a broad range of public and private stakeholders. The Afghan [WTO] Inter-ministerial Committee is comprised of representatives from the relevant ministries and private sector stakeholders who meet to discuss WTO issues. In responding to this question, we examine the relevant the key public institutions: MoCI, the Line Ministries, and ANSA, to determine the level of capacity development and sustainability.

Capacity to Negotiate

Negotiating responsibilities for WTO accession as well as for regional and bilateral agreements for Afghanistan lie primarily with the Deputy Minister of Trade and the International Trade Directorate at the MoCI. Regarding the current capacity to negotiate, one official stated, "We came from the well to the surface with negotiations." While the International Trade Directorate still seeks ATAR's support on substantive and technical details in negotiating, it has developed significant negotiating capacity. Senior officials believe that the only assistance MoCI now requires is on technical points and position papers in order to be fully informed of the policy needs and nuances relating to Afghanistan's interests.

In support of this, senior MoCI officials note that they negotiated independently seven WTO bilateral agreements with WTO members.[6] In addition, with ATAR's assistance on technical details, the Ministry is continuing its negotiations on the Pakistan-Afghanistan-Tajikistan Transit Trade Agreement (PATTTA), and also successfully negotiated reducing the list of sensitive items in the South Asian Free Trade Area (SAFTA).[7]

While senior officials[8] have the capacity to negotiate key agreements, second-level MoCI staff do not have a well-developed capacity to negotiate.[9] Staff in the Bilateral Trade Agreements Unit and the Regional Trade Agreements Unit report having some limited capacity to negotiate, but claim their staff need significantly more capacity building before they can do so independently.

With respect to sustainability, capacity is not very deep and is only sustainable to the extent that senior officials remain in their positions (government-wide).

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[6] Bilateral with Norway, Thailand, United States, Turkey, Chinese Taipei, Korea, and the European Union.

[7] Negotiations have not yet begun but there are nascent discussions regarding the following agreements: (1) Bilateral agreement on transport and transit between Afghanistan and Turkmenistan; (2) Bilateral agreement on transport and transit between Afghanistan and Uzbekistan; (3) Bilateral agreement on transport and transit between Afghanistan and Azerbaijan; (4) Bilateral agreement on transport and transit between Afghanistan, Azerbaijan, Georgia, and Turkmenistan; (5) Bilateral agreement on transport and transit between Afghanistan and Kazakhstan.

[8] We use the term "officials" to denote both singular and plural to protect the confidentiality of the source.

[9] Based on interviews with senior MoCI officials.

Because we found that the capacity to draft varies depending on whether it is a law, regulation, or procedure being drafted, we have addressed each one separately.

(i) Drafting laws and amendments

Across MoCI and all relevant line ministries, we found that the capacity to draft laws is not well-developed.[10] This is largely because, whether it was TAFA or ATAR, technical assistance was provided by drafting laws and amendments remotely and then providing them to the relevant Ministry. Often, there were no face-to-face meetings with the person(s) drafting the law and the responsible Ministry officials in order to explain the meaning of the provisions, the technical requirements, and reason for each provision.

While ATAR's senior WTO advisor is well-respected and praised among the Ministries, there were widespread complaints that often there was no one from ATAR who could readily explain a technical provision that the responsible Ministry did not understand. This was exacerbated by translation difficulties, including the complaint that literal translations do not always capture the meaning of terms or phrases and that the legal text was not annotated. The attempts by ATAR's local staff to explain provisions were insufficient and lacking, according to the relevant ministries.

As one government official said,

> *I have never met [the person who drafts the laws]. There has never been any discussion with [that person], no face-to-face meeting… We just receive draft laws and nobody really understands the full meanings of the laws. When we ask the national staff what something means, they don't know and no one can explain the technical meanings.*

In at least one case involving an amendment (the Trademark Law), ATAR reportedly did not seek input from the responsible office but provided the draft amendment directly to the Deputy Minister of Commerce and Industries, who signed off on it. The amendment made its way to the MoJ, was later rejected by the Council of Ministers, and then sent to the responsible office to make necessary changes. This also caused consternation with that office.

There were some cases in exception to the above, which allowed for capacity building. For example, according to ANSA, ATAR's staff and ANSA worked together on the language of an amendment, which built capacity of participating ANSA staff.

(ii) Drafting regulations

Drafting regulations was also difficult for government staff, as they would require a clear understanding of the relevant law in order to draft the implementing regulations. The

[10] The relevant line ministries are MAIL, MoPH, MoIC, MoJ, and ANSA.

responsible ministries worked with ATAR to varying extents in drafting regulations, but none of the ministries believe they can draft regulations without donor support. However, the responsible offices believe they have more capacity to draft regulations than the capacity to draft laws without donor support.

(iii) Drafting procedures

We found more capacity within ministries to draft procedures than laws, amendments, and regulations, although this also varied from ministry to ministry. Again, this variation may be attributed to the method ATAR used. ATAR usually drafted procedures in a working group setting, where relevant stakeholders discussed the reason for the particular procedure and the best process to accomplish the stated reason. With ATAR's assistance, MAIL, MoPH, and ANSA all stated that they had developed some level of capacity to draft procedures. They believe they can sustain this capacity but need more support to further develop it.

Capacity to Organize

We found that the ministries, in general, have the capacity to organize, including organizing working group meetings, related WTO activities, joining international organizations, and arranging trainings with local or international organizations. For example, in addition to regular working group meetings with stakeholders, MoCI's Afghanistan Commercial Business Registry (ACBR) has organized trainings for staff with the World Intellectual Property Organization (WIPO).[11] The same office researched and asked India to review the first patent application Afghanistan received because Afghanistan lacks the capacity to conduct patent prosecution/ examination.

Capacity to Implement WTO Obligations

Although the WTO Accession Package was substantially completed by TAFA, ATAR has continued working with the key counterparts to draft regulations and procedures relating to the LAP, and to work with the MoJ in shepherding the legislation through the legislative process.[12]

In its Year 1 Work Plan, ATAR undertook to support implementation of WTO laws and commitments by "building capacity of the relevant ministries and state agencies to launch the process of fulfilling WTO commitments." To this end, ATAR prepared model regulations, supported the formation of working groups headed by relevant ministries and involving relevant stakeholders; trained a working group on international standards, trade-related

[11] As further examples, MoPH and MAIL have organized meetings with Codex Alimentarius (CODEX) and other international bodies. With ATAR's assistance, the MoCI is preparing for membership in Berne Convention, the Paris Convention, and the Madrid Protocol, Singapore Treaty on the Law of Trademarks.

[12] Based on document reviews and interviews with key staff from ATAR and MoCI, Afghanistan's WTO Accession Package was substantially ready by December 2013, with most of the Accession Package having been prepared by TAFA. ATAR 5th WTO Working Party Meeting was anticipated to take place in February 2014. However, election delays and a lack of approval for the Afghan WTO Delegation by the Afghanistan Ministry of Foreign Affairs, the meeting was postponed. President Ashraf Ghani will soon review the WTO Accession Package to decide whether Afghanistan will proceed with WTO Accession.

aspects of intellectual property rights, and intellectual property conventions; supported the finalization of draft legislation for adoption; and assisted in shepherding the draft through the legislative process and providing support until adoption.

ATAR reported in its Year 2 Work Plan that it had supported the Consolidation of the Schedule of Concessions and Commitment on Goods (Goods Offer) and the Schedule on Specific Commitments on Services (Services Offer), which were both accepted by WTO members on February 27, 2014. Although this work was begun by TAFA, its completion is a significant step in the WTO accession process.

ATAR has been assisting responsible ministries with tasks related to WTO accession, as specified in its Year 2 Work Plan, on an as-needed basis. However, with respect to monitoring domestic compliance with WTO, we found a lack of capacity within the government to implement WTO-related legislation and obligations. While most of these obligations have not yet come into force, there are some implementation obligations that can begin now. These include the Rules on Customs Valuation – WTO Article VII of GATT 1994, and intellectual property enforcement. These are more fully discussed in our response to Question 6.

A more in-depth reflection of the relevant ministries capacity is provided in Annex 2.

Capacity Building and Technical Assistance by ATAR's Employees

The MoCI has also expressed dissatisfaction with the level of knowledge and technical skills of ATAR's employees, as well as the absence of international consultants. The staff member of the one key Unit stated that ATAR's national staff cannot build capacity their capacity because they [the MoCI Unit] are more experienced than ATAR's staff. He further noted that ATAR's employees cannot even function effectively as a go-between because they are seldom at MoCI due to security constraints. These complaints resonated across the relevant MoCI Units and have contributed to bitterness with ATAR, particularly within some Units.

Conclusions

1. ATAR's Component 1 is on track regarding WTO accession activities and is continuing work on the LAP in preparation for WTO accession.
2. ATAR has begun limited capacity development to implement WTO obligations, mostly by preparing ministry officials to respond to the WTO. As discussed in Question 6, more capacity development is needed to implement those WTO obligations that are in various stages of implementation.
3. The MoCI reports that it had banned ATAR for a period of time. However, a senior official noted that work on WTO accession proceeded during that time but capacity building with the Ministry was stalled.
4. Starting with TAFA, senior-level officials in the International Trade Directorate have built the capacity to negotiate. ATAR has continued developing this capacity. Staff in

the Units (Offices under the Directorate General level) have limited negotiating capacity. However, this capacity is only sustainable to the extent that senior officials remain at the MoCI in the same positions.

5. The capacity to draft legislation and organize varies across ministries and within offices in any given ministry. The relevant units do not have the capacity to draft laws, and have limited capacity to draft regulations and procedures. They have varying capacities to organize. ATAR has developed capacity in the government when it has worked directly with staff on drafting legislation, and has failed to do so when it has drafted legislation remotely and handed it to the government.
6. Translation issues appear to be a barrier, as several ministries complain that ATAR does not utilize translators with the relevant technical expertise. *However, ATAR noted that it employs translators with technical expertise, but translations, in general, are difficult. As an example, a key ATAR employee noted that a document was translated from English to Dari and back to English, and the English translation was different from the original document in English.*
7. Security is a major barrier both to ATAR's ability to build and sustain relationships and build capacity at MoCI. ATAR's security protocols, especially relating to its national staff, have resulted in serious discontent at MoCI (and ACD).

Recommendations

- Regarding capacity building in drafting legislation, regulations, and procedures, we recommend that ATAR adopt a policy to provide technical assistance and capacity building on site, if possible, and in a working group setting. If security restrictions limit the implementation of such a policy, we suggest that when model laws or regulations are provided, experts are available to provide in-depth overviews of the measures, followed by technical assistance when needed.
- On building negotiating capacity, we recommend that senior MoCI officials adopt a policy of engaging second-level senior staff when discussing negotiating strategies, having them participate in meetings to the extent feasible, and placing some responsibility on senior staff to develop negotiating skills of second-level staff. This can be done in monthly lunch sessions inviting university faculty staff, mock negotiations, etc. In addition, the Ministry of Foreign Affairs' (MoFA's) School of Diplomacy offers courses to its staff, and it might be worthwhile for ATAR to coordinate/facilitate any negotiation trainings between MoCI and MoFA.
- With respect to ATAR's national staff, we suggest that ATAR manage expectations. The Project's national staff tend to be young and inexperienced. ATAR is building capacity with them, but the MoCI regards them as "experts," which, they are not. As a result, MoCI expects capacity building from them, which, for the most part, they cannot provide. This creates a situation of conflict and frustration. *A key ATAR employee said its employees for MoCI are to facilitate communication while building*

capacity. Thus, ATAR should manage expectations by clarifying the roles and capacities of its employees to MoCI.[13]

- Regarding translation issues, we suggest managing expectations on the technicalities and difficulties of translations and providing annotations to the text, which can facilitate understanding.
- Security is a major issue and we cannot make recommendations regarding security concerns. However, one point that might be worth considering is that if ATAR employees cannot go to the relevant Offices, the Project might consider having government staff come to the Baron Compound. Based on our desk review, ATAR appears to have done so on some occasions.

EVALUATION QUESTION 3

To what extent has the technical assistance provided correctly targeted the necessary skills, appropriately delivered, to improve trade policy, transit, and trade capacity with Afghanistan's neighbors (Pakistan, India, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyz Republic, and Kazakhstan)?

Finding – Facilitating Access to Regional Markets

ATAR's Component 2 – Facilitate Enhanced Access to Regional Markets – supports MoCI, the Export Promotion Agency of Afghanistan (EPAA), and regional institutions. We respond to this question in two parts: 1) Targeting and delivering the necessary skills of Afghanistan's institutions to improve trade policy, transit, and trade capacity with Afghanistan's neighbors; and 2) Targeting and delivering the necessary skills within the region to improve trade policy, transit, and trade capacity [with Afghanistan].

1. Targeting and Appropriately Delivering Necessary Skills in Afghanistan Institutions

Support to MoCI

ATAR's Component 2 support to the MoCI is focused primarily on the International Trade Directorate, which falls under the leadership of the Deputy Minister of Trade and the Directorate of International Trade.[14] ATAR also provides some support to the Trade Policy Analysis Unit (TPAU).[15] ATAR has a national employee with expertise on the South Asian Association for Regional Cooperation (SAARC)/SAFTA embedded in the Regional Trade Agreements Unit.[16]

[13] Failure to do so might be also unfair to ATAR's employees because of how they might be perceived by MoCI (and ACD).
[14] Negotiating skills for this Directorate are discussed in Evaluation Question 2.
[15] We detail ATAR's capacity building to TPAU in our response in Evaluation Question 6,
[16] While the Unit Head is satisfied with the employee's level of SAARC expertise and support, he noted that this is insufficient for substantive capacity building. Moreover, more senior members of ATAR become involved during preparations for SAARC meetings, especially related to SAFTAATAR has also financed Afghanistan's attendance at SAFTA meetings, and is financing the SAFTA meeting that is due to take place in Kabul in August 2015.

While there is a general consensus that ATAR's technical assistant is helpful, the MoIC's staff also report that ATAR has provided very little capacity building, that its trainings have been inadequate, and that they do not seem to be part of any plan or coherent strategy. Although ATAR has conducted a capacity needs assessment of the International Trade Directorate, it does not seem to have covered all Units, and the resulting training given was superficial and insufficient. All the Units feel that they have some level of skills and capacity, but are weak areas in other areas, such analysis and negotiations, where they need capacity building.

Support to EPAA

The EPAA is seen as a key institution that is in need of support, both financially and technically. However, making EPAA financially sustainable is outside the scope of the ATAR Project. ATAR's efforts to support EPAA have included support to regional trade shows and activities, which have been successful as measured within its defined goals.

Regarding capacity building for necessary skills, we found the following:

Support for trade shows: ATAR's support to EPAA regarding trade shows has included assisting the agency to organize trade shows, providing advice to participating traders, providing printed materials, and financially supporting the attendance of one or two EPAA staff. According to EPAA, this work was insufficient to address the fundamental issues around export financing, and a more comprehensive approach is required. EPAA also has serious financial needs and sustainability issues, especially since it lost a large number of staff and became a directorate of MoCI, after losing financial support from GIZ at the end of 2013.

Support for trade promotion strategies and services: ATAR has provided some training to EPAA staff and traders, mainly in July 2014, on market research, data gathering and analysis, and global supply chain management. While EPAA staff report it was useful to traders, the materials were only available in English. ATAR also provided some studies, as well as a document outlining the process EPAA should follow to develop an export promotion strategy, with which EPAA is satisfied.

Access to finance: ATAR's assistance to EPAA has resulted in two financial institutions (Afghanistan International Bank and Afghan Rural Fund Company) signing an agreement to offer preferential rates to EPAA's registered traders. However, traders prefer their existing arrangements and have not taken loans from either institution, as they did not find the interest rates offered competitive enough.

Developing EPAA's institutional capacity: While EPAA believes that ATAR's technical assistance has been helpful, its support has been insufficient to meet EPAA's capacity

needs.[17] ATAR's Year 1 Work Plan noted that EPAA's existing capacity needed further development, but there was no clear needs assessment or baseline.[18]

Developing the capacity of traders (including women) & B2B linkages: Through training, roundtables, and trade show support, ATAR reaches traders through EPAA. Focus groups with traders found they consider trade shows useful but expensive to attend.[19]

Facilitating government consultation/engagement with private sector: Based on focus group discussions (FGDs),[20] we found that the overall awareness and the degree of consultation within the business sector regarding trade agreements is very low.[21]

Supporting the Implementation of Transports Internationaux Routiers Convention (TIR)

In September 2013, the Afghanistan Chambers of Commerce and Industries (ACCI) was approved by the International Road Transport Union (IRU) to administer TIR within Afghanistan. ATAR's work plans have included activities to increase TIR awareness among transport operators and freight forwarders. However, ATAR's work with ACCI was limited due to USAID directives.[22] ACCI reports that the TIR carnet system is working, although to-date it has only issued two carnets. The Hairatan Border Customs reported it had processed one carnet *en-route* to Pakistan that returned *via* Hairatan, and so far it has processed 337 carnets that entered Afghanistan.

2. Targeting and Appropriately Delivering Necessary Skills in the CARS

ATAR's Central Asian Republics (CAR) activities have focused primarily on building skills within Customs (in Kyrgyzstan and Tajikistan) and with the Chambers of Commerce, particularly in Tajikistan, transport associations, and customs brokers.[23] ATAR's specific activities include:

Supporting the Cross-Border Transport Agreement Transit Corridors 5 & 6

While ATAR's Year 1 Work Plan placed a large emphasis on supporting the process of Afghanistan's accession and implementation of Cross-Border Transport Agreement (CBTA) Transit Corridors 5 and 6, progress on Corridor 6 was not possible due to Uzbekistan's unwillingness to join the agreement. According to ATAR's staff and documentation, further

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[18] Without this, it is difficult to determine the degree to which ATAR's training has been well targeted and effective. Subjective assessments of EPAA's current capacity vary, but generally focus on its current lack of staffing and financial strength.

[19] Traders state that they have difficulty differentiating between trade shows supported by ATAR and other trade shows. Generally, they have not noticed capacity changes in either EPAA or themselves. They are frustrated by continued obstacles that they face in doing business abroad and lack of government support.

[20] For the most part, these were larger companies active in export.

[21] A common theme from the FGDs is that the private sector feels unsupported by government, and feels that the government is an impediment to their trade activities, largely due to high taxes, corruption and a lack of services.

[22] In June 2015, ATAR conducted a TIR awareness workshop with ACCI, their first collaboration, and prior to this, ATAR had conducted 3 other trainings or awareness workshops on TIR.

[23] Most stakeholders from these groups agreed that the information and training that ATAR provided was relevant and needed, as did other donors within the region.

progress on Corridor 5 has stalled because of a political disagreement about border demarcation between Kyrgyzstan and Tajikistan.

Assessing Conformity with the WTO Trade Facilitation Agreement

ATAR has completed assessments of the degree of national conformity with the WTO Trade Facilitation Agreement (TFA) in Tajikistan, Kyrgyzstan, and Turkmenistan, and has launched a similar assessment for Uzbekistan.[24] The quality of this work, particularly the assessment in Kyrgyzstan, was widely praised.[25] Several officials from the Kyrgyz government affirmed that ATAR's work on the TFA had played an important role in helping the government prepare for the WTO TFA.[26] The Ministry of Economy is creating a plan of action to address the WTO provisions, as per ATAR's report, and also to ratify the TFA in Parliament.[27]

Supporting Tajikistan's Participation in Trade Negotiations with Afghanistan and Pakistan

ATAR has supported Tajikistan's participation in the Pakistan Afghanistan Tajikistan Transit and Trade Agreement talks.[28]

Business-to-Business Linkages

ATAR's B2B activities have included workshops and training events with business and business associations, ongoing work with the Chambers of Commerce, and other activities to create linkages between Afghan and CAR businesses.[29] While these events were welcomed, a common concern was that such events, in the absence of adequate follow-through, were inadequate to address the pressing capacity and logistical needs that traders and transport companies face when attempting to do business across borders. The Kabul Chambers of Commerce and Industries (KCCI), for example, reported that although its members had participated in the B2B forum in Dushanbe, they were not able to make any new trade deals, and could not find useful trade partners among the Afghan participants.

ATAR staff reported that two transportation companies (one Kyrgyz, the other Tajik) made an agreement with each other to provide support to transporters in their respective countries should either run into difficulties.[30] At the same time, it seems unlikely that these events will catalyze significant improvements in trading relations outside the framework of a more comprehensive strategy.

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24 Not yet completed.

25 Including people from USAID, GIZ, OSCE, and the Kyrgyz government.

26 These included a former staff member of the state Single Window Enterprise and an official from the Kyrgyz Ministry of Economy.

27 ATAR is translating the TFA into Kyrgyz language at the government's request. GIZ officials also reported using the report in their work and training.

28 ATAR has provided advice 'at the table', translation, and financed the travel of the small Tajik negotiation team to Pakistan. According to a government official, the Tajik government is anxious to move the trade agreement forward, and has found ATAR's support to be helpful.

29 Events included a multilateral B2B forum with 124 participants from Afghanistan, Kyrgyzstan, Pakistan and Tajikistan (Jun 23-24, 2014, in Dushanbe)A workshop on Modern Transport and Logistics with 107 participants from around the region (Dec 2014, in Bishkek)

30 The evaluation team did not independently verify this claim.

ATAR's Year 1 and Year 2 work plans include the encouragement of Chambers of Commerce and Industries (CCIs) to create a joint business council. The Kyrgyz CCI reportedly did not see any benefit of signing, as it felt the bilateral agreements they had in place with neighboring CCIs was already sufficient. As a result, this has not been done.

Within Turkmenistan, ATAR's primary role is to link Afghan and Turkmen traders in any manner possible. The coordinator there appears to be proactive but his efforts are limited. He had a "near success" in introducing Afghan marble traders to Turkmen marble buyers.[31]

Customs Work

Supporting Customs reform, primarily in implementing the TFA, has been the major focus of ATAR's work in both Tajikistan and Kyrgyzstan. ATAR staff's expertise in Customs was noted and praised by numerous stakeholders, including GIZ, the Organization for Security and Cooperation in Europe (OSCE), USAID country office representatives, and Kyrgyz government officials. ATAR's staff were also widely regarded as approachable and collaborative. Some key accomplishments include: successfully re-establishing a Customs Council in Kyrgyzstan,[32] conducting a workshop and a roundtable on risk management for government veterinary inspection officials in Tajikistan in 2014,[33] collaborating with OSCE on training events,[34]and implementing the Single Window State Enterprise in the Kyrgyz Republic.[35]

However, ATAR's Customs work has faced a number of key constraints and challenges.[36] While ATAR brought in short-term specialists to work on issues with the Customs Department, the timing was not conducive for accomplishing their work.[37] Other challenges are related to ATAR's delivery, specifically the Project's scope of work and budget.

3. The appropriateness of ATAR's technical assistance delivery

ATAR's delivery of technical assistance within CAR is mixed, with both notable strengths and weaknesses, summarized in the following table:

31 A large trade deal was discussed, but not signed, because the Afghan government put a ban on the export of raw marble.

32 This was reported by both ATAR and by officials from the Kyrgyz Custom Brokers Association, and confirmed by USAID officials. The Council had met several times with two more meetings planned.

33 Based on ATAR M&E records, reports, and interviews with ATAR staff.

34 This is not included in ATAR's events database, but was confirmed by an OSCE official. Included IPR training for Customs.

35 Includes a database of tariff and non-tariff measures developed by ATAR. In the words of a Single Window staff, plan to "use it as a tool for traders to find tariffs and special measures ...."

36 Both the accession to the Customs Union, and the implications of accession for customs and border management practices were mentioned as key issues by a number of respondents, including ATAR, USAID, OSCE and GIZ respondents, as well as Kyrgyz government officials.

37 Kyrgyz Customs Department refused ATAR's database for tariff and non-tariff measures, and reportedly refused most of ATAR's customs-related assistance throughout the year that they were focused on accession. The same database was found useful and adopted by GIZ and the Single Window State Enterprise, a government agency.

Strengths	Weaknesses
▪ ATAR has a presence in CAR ▪ Level of expertise of ATAR staff and consultants is generally seen to be very high ▪ ATAR is widely seen as open and cooperative ▪ ATAR has excellent coordination with other donors and projects – particularly with GIZ and OSCE ▪ ATAR has good relations with the USAID country offices in CAR	▪ Limited budget ▪ No discretionary budget at regional level ▪ Slow decision-making process ▪ Limited to 'direct benefit' to Afghanistan ▪ The name of the project can be off-putting to governments ▪ Sometimes the priorities set out in the work plan mismatch with current circumstances and local priorities ▪ Strategy is poorly defined and lacks focus (despite being the proposed plan by each country office and approved by the USAID Office in Almaty) ▪ Poor "claimed" communication with regional USAID Office in Almaty

Fig. 1

ATAR does not have a formal strategy to work with Afghanistan's commercial attachés within the CARs, although they report some informal connections and involvement, which varies by country. Regarding the 'weaknesses' listed in Fig. 1, a relevant USAID official noted that,

> *The ATAR project management has and continues to strengthen its communication with the Central Asia and Kyrgyz Republic Missions. [T]his mission's efforts to place someone in CAR to monitor all trade activities was first approved then denied by USAID CAR. The Afghanistan Mission also proposed to fund an FSO and FSN to focus on regional trade. That position, which will now be funded by the Central Asia Mission, is currently on the bid list.*

However, one thing that did work was that the Missions and country offices appointed ATAR activity managers in each country. The USAID project team members are about to institute regular calls to ensure more frequent and effective communication.

As for strategic focus, it must be remembered that the priorities for ATAR's activities in the first year were entirely demand-driven and mostly demand-driven in the second year. Over the course of these past two years, everybody has learned more about what issues ATAR can

and should focus on to improve connectivity with Afghanistan and South Asia. Those lessons will be reflected in the third year's work plan.

Conclusions

1. ATAR's support to EPAA appears, on the whole, to have been relevant and of reasonable quality, but appears to have been piecemeal. USAID has noted,

   > *ATAR's work plan never included significant work with EPAA after they [EPAA] made it clear upfront (November, 2013) that they only wanted ATAR's help with the occasional items/events. Thus, a "piecemeal" approach.*[38]

2. Despite a slow start in three of the four countries where it has set up, ATAR's presence in CAR, to-date, has achieved some promising results. However, it has been hampered by being spread thinly – both geographically and thematically. ATAR's presence within the region appears worth maintaining, but to reach its potential, it requires a clearer focus going forward.

Recommendations

- USAID and ATAR should review the possibilities and decide how best to narrow the scope of ATAR's work under Component 2 so that it can be more effective. Despite some real strengths and successes, its overall impact appears to be watered down by attempting to do too much with insufficient resources.
- ATAR should assess whether is it is capable, can afford, and plans to expand its efforts within the scope of its goals to support EPAA. If yes, ATAR should conduct a capacity needs assessment of EPAA's staff, develop a corresponding work plan, and share it with EPAA's management and work towards implementation.
- ATAR might consider using the name of Component 2 as its official name within the regions, to clarify purpose and avoid misunderstandings with CAR governments.[39] *However, according to a USAID official, this point was not discussed with any CAR government officials and it is unclear if this is true.*[40]
- EPAA might consider establishing an online/web-based market place that links regional businesses and traders. This can be done in cooperation with export agencies in the CARS, or in conjunction with ACCI and regional Chambers of Commerce. [41]
- ATAR, together with USAID, should consider how to improve communication with USAID's CAR regional office regarding sharing information on activities of mutual interest.
- ATAR should consider working more closely with Afghanistan's Offices of Commercial Attaché in the CARs relating to business-to-business linages. Senior MoCI officials echoed this sentiment, with the Minister stating that he planned to use

[38] Comment of USAID Official.
[39] Communications problems raised by ATAR's name was a point raised by both ATAR and USAID staff.
[40] USAID official (comment).
[41] There are models available for on-line market places.

those offices to expand Afghanistan's market access and B2B linkages. Working with Afghanistan's Offices of Commercial Attaché can be a win-win situation where ATAR can build capacity with those offices while expanding CAR market linkages.[42]

- Finally, key informants offered the following two main suggestions:[43]
  - ATAR should focus more on non-governmental actors, and put less effort in government capacity building. Traders and trade associations have a clear interest in improving trade efficiency and flow.[44] If they are empowered to organize, understand the system, and lobby for changes themselves, this may turn out to be a more effective way of inducing longer-term change in government processes.
  - ATAR should focus its CAR presence more exclusively on cross-border management and customs harmonization.

EVALUATION QUESTION 4

To what extent was the technical assistance correctly sequenced and/or targeted to enable ministries to accept payment of customs fees from commercial traders and process release forms at commercial banks throughout the country?

We interpreted this question as referring to E-Pay. We assess targeting and sequencing E-Pay separately.

Finding – E-Pay

ATAR's Component 3 supports the Afghanistan Customs Department (ACD) and the Central Bank, Da Afghanistan Bank (DAB), relating to E-Pay.[45] E-Pay is an electronic payment method that provides traders the option to pay their customs debts, using either cash or bank transfers at a commercial bank or at DAB, remotely from a customs location. It is a trade-facilitating procedure targeting traders while securing payment of the government's debt.

E-Pay Was Correctly Targeted

A pilot E-Pay system was implemented at Kabul International Airport (KIA) and Kabul Inland Customs (KIC) beginning in June 2015. According to DAB, since the system was implemented, around 60% of payments have been made through E-Pay.[46] DAB performs reconciliation at the end of every day and sends hard copies of the payment documents to

[42] The Minister of Commerce stated that he planned to create joint Chambers of Commerce with neighboring countries and start identifying traders' problems first with the neighboring countries and work on removing those barriers. He plans to first identify five problems with neighboring countries and make an action plan. Then after solving those, identify another five problems. After that, "we move to the next layer of neighboring countries".

[43] These suggestions were offered by ATAR staff in Kabul and the regions, and USAID regional staff, as well as representatives from other donor agencies or projects familiar with ATAR and the context.

[44] Reasons for doing this are that working with government in some CAR countries is extremely difficult and slow, that anything potentially 'political' is a non-starter in countries such as Uzbekistan and Turkmenistan, and that political will for some reforms, particularly in Customs, may be lacking.

[45] E-Pay was started under TAFA but was not implemented. Without E-Pay, all Customs duties and taxes have to be paid in cash to the Da Afghanistan Bank (DAB) located at the specific ICD or BCP. Payments also have to be made by 2 pm.

[46] The evaluators cannot confirm this figure as the statistics are not available -the system is still very new.

ACD the next day. DAB asserts E-Pay is very secure because there is no physical movement of funds. Moreover, ACD can view the account and once a payment is made to ACD, it is irrevocable.[47, 48]

Based on our review, we find that E-Pay correctly targets traders by affording them a convenient, easy, fast, and secure way to pay their customs debt, while also freeing them from transporting large amounts of cash for the payment of large duties and fees.[49] E-Pay also allows the secure receipt of payments due to the government, which is consistent with the government's plan to have electronic payments and reforms in the banking sector.

E-Pay Was Correctly Sequenced

E-Pay works as follows: the trader/broker takes the assessment document (entry document) to either a commercial bank or DAB and pays either in cash or by bank transfer. Once DAB receives the payment, it manually completes the Fund Transfer Form and generates a unique payment number that allows ACD to release the goods. This information is electronically transmitted to Customs.

E-Pay contains a manual step because, at the time the system was being configured, Customs was using the software ASYCUDA ++, which was not web-based and was less-suited for fully integrating and automating E-Pay. In addition, the World Bank was working on a system to fully integrate and automate the banking system in Afghanistan. There was an expectation that the system would be ready in less than a year, and it did not appear cost-effective to fully automate the system since it would be replaced in a few months. Therefore, under the circumstances at the time, E-Pay was correctly sequenced.

Fixing the Manual Step in E-Pay

DAB learned the World Bank will not be able to fully integrate and automate Afghanistan's banking system for at least another 1½ to two years. Meanwhile, ACD has begun using ASYCUDA World, a web-based system, in some locations and plans to introduce this system throughout the rest of the country. The present E-Pay system can be easily integrated into ASYCUDA World to be fully automated.

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[47] DAB stated that it has provided usernames and passwords to the relevant government officials in order for them to check/verify the payments and status at any time. DAB further noted that, to date, the government has not been very interested in doing so.

[48] DAB noted that the 20th paragraph of the interbank payment regulation provides for "Irrevocability in interbank payment system." Once the transacted amount is credited in the beneficiary account, it cannot be revoked. DAB contends that it has the authority to collect customs duties and fees on behalf of ACD. Letter (undated), from Alhaj Essa Khan "TURAB" Second Vice -President Da Afghanistan Bank to Customs. Article 157 of The Customs Code provides for the transfer of funds to pay customs debt. ACD does not plan to amend the Customs Code for electronic payment as ACD officials noted that electronic payment is part of the banking laws.

[49] For these reasons, Standard 4.6 of the Revised Kyoto Convention (RKC) requires customs administrations to specify the permitted payments for customs duties and fees. Further the Guidelines to Standard 4.6 encourages the use of electronic payment as an efficient method of payment.

In light of this development, DAB and ATAR would like to "patch" the manual step in E-Pay to render it a fully automated and integrated system.[50] The patch would connect the DAB (via the ACSS) and the ASYCUDA system together via central servers. The patch would also enable DAB to implement a national switch system in Afghanistan, which it hopes to do by the middle of 2016. The national switch will allow traders to pay their customs duties and fees using debit cards, Internet, and mobile banking/payment.

Conclusions

E-Pay facilitates trade, reduces the cost of doing business, and is consistent with the government's goal of reforming the banking system to receive electronic payments. It correctly targets traders while securing the receipt of the government revenues. E-Pay was correctly targeted and sequenced under the circumstances at the time.

Recommendations

That ATAR:

- Confirm the cost of $20,000 to fix "the patch." In the event that the cost has risen considerably, undertake a cost/benefit analysis.
- Implement the patch to the extent that it is possible to do so. This will eliminate the manual step, which can be prone to human error. Also, DAB officials stated they plan to implement a "national switch" in 2016 that will allow more modes of payments, *e.g.,* Internet, mobile.
- Work with ACD to ensure that it fully understands how E-Pay works, and to embrace and roll it out to all customs locations.
- Follow through on Work Plans[51] to assist ACD and DAB in an outreach program to inform traders how E-Pay works.

EVALUATION QUESTION 5

Which aspects of ATAR's assistance have been most effective in expanding the participation of Afghan women and opening career options for these women at the counterpart ministries? As appropriate, identify those approaches that were both effective and the most accepted by ministry staff.

Finding – Increasing Women in Government

ATAR's Work Plan for both Year 1 and Year 2 included recruiting ten female interns for each period and increasing gender representation in ACD, as well as to support the Afghanistan National Customs Academy (ANCA) to deliver gender awareness training to all

[50] ATAR has stated that it received an estimate that the patch from the vendor,Virmati, would cost $20,000 and take about 1½ months to fully automate and integrate the system. In light of the timing for the completion of the World Bank's bank reform project, DAB is willing to work with the patch, but has stated that it cannot fund the patch.

[51] ATAR's 2013-2014 and 2014-2015 Work Plan provides for these activities.

ACD staff, including conducting training of ACD trainers.[52] In addition, ATAR's Year 1 Work Plan also stated that ATAR would include businesswomen in all activities, especially activities involving decision-making, capacity building, and job creation, and reduce gender gaps in business and trade.

ATAR recruited only two female interns during Year 1 and Year 2, respectively. The two women in Year 1 were placed at ACD and the two women in Year 2 were placed at MoCI. Neither ACD intern received an employment offer. It is unknown at this time if the interns at MoCI will receive offers upon completion of their internship.

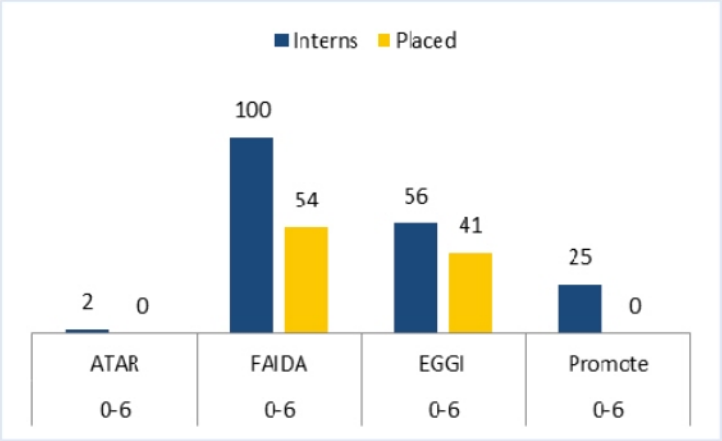


Fig. 2. FAIDA and EGGI's total number of recruits and placements were divided by the period of their activity for a six-month period.

In comparison to other donor programs that have a gender component, ATAR has lagged far behind in both recruitment and job placement of women. For example, the USAID Project, Financial Access for Investing in Development of Afghanistan (FAIDA), recruited 300 female interns during an 18-month period.[53] Extrapolating this data gives an average of 100 interns during a six-month period.[54] The Economic Growth Initiative's Women in Government (WIG), another USAID-funded project, recruited 446 female interns for government offices and placed 73% of them during a four-year period in various government offices, including at the Ministry of Finance.[55] USAID's new Promote Women in Government Project received 200 applications for its female internship program, resulting from a ten-day announcement on Afghan job portals, university boards, and women's organizations lists.[56] Promote shortlisted 25 interns for its first cohort. No placement data is available because Promote is just beginning.

Afghan Customs Department

ACD officials admitted that it could have done more to mentor the interns but said there was no clear plan with ATAR. One official noted that,

> *The interns were sitting behind their computers and were only doing something when we asked them to do so. They did not always take the initiative. ATAR had not put*

[52] This activity was to be supported by the ATAR National Training and Development Specialist. ATAR's Year 2 WP, p. 63.This training was done and is referenced in Question 6, ANCA.
[53] Verified with former responsible FAIDA employee. Of the 300 recruits, 160 were placed at the banks, microfinance institutions, and private companies.
[54] Data extrapolated in Fig. 2 for FAIDA and WIG.
[55] Final Evaluation of EGGI Report, Sep-Nov, 2014.
[56] Verified with responsible Promote employee.

> *together a plan for them with ACD to see in which areas they should develop their capacity and learn about customs work.*

The official recommended the interns go through some courses at ANCA and work practically with ACD departments.

While the interns had an ATAR supervisor, they did not have a mentor at ACD and did not have any rotations to different Customs Units. One intern stated that she had learned a lot and that ACD had been supportive. However, because of a lack of planning between ATAR and ACD, it was difficult for the interns to obtain employment.[57]

Ministry of Commerce and Industries

A senior official at MoCI stated that he did not understand why the Ministry had interns. He believed that ATAR was utilizing interns instead of experts in order to save money and that it would be "okay" to keep the interns if experts were also provided. The official further stated that,

> *There are also challenges for female interns because they cannot run errands or go to places as easily as male interns. Also, the Ministry has minimal influence in selecting interns, as they [the Ministry] only receives a shortlist – in other words, ATAR narrows the list to those interns it wants to hire.*

Outreach to Businesswomen

In Year 2, ATAR conducted a three-hour training session for 13 businesswomen on trade financing and a consultative meeting on the Central Asian Business Opportunities Conference (CABOC) in which 16 businesswomen participated. The women business owners complained that they are generally excluded from selection in trade shows.[58] They also feel that they have been 'over-trained' by various projects, and instead need concrete help with issues such as financing and market access.

Conclusions

1. All aspects of ATAR's efforts in increasing gender representation at ACD were ineffective, including the number of female interns recruited. In addition, ATAR's efforts to increase the participation of businesswomen in trade have been very weak.
2. ATAR's Work Plan concerning the interns contained good intentions, but the Project did not appear to have a plan to coordinate with either ACD or MoCI for a defined program for the interns. ATAR was not aware that the interns needed to apply through the Civil Service Commission for employment, and it did not have any pre-arrangements, such as an agreement or commitment letter for the placement of the interns.

[57] Interview with ACD interns, July 8, 2015

[58] Based on a focus group discussion with women business owners conducted at Checchi. (EPAA and MoCI selects the traders).

Recommendations

- ATAR should learn from other donor projects with gender components that have successfully recruited larger numbers of female interns and placed them in jobs.
- ATAR should consider signing a Memorandum of Understanding with its partners and/or obtaining a commitment letter so that at the end of the internship period the Ministry/Office considers the interns(s) in their *tashkil* (permanent staff) or vacant positions.
- ATAR should formulate a plan for the interns that includes Afghan Civil Service Institute (ACSI) training. The plan should also include assigning a mentor to the intern to advise on placement and guidance on how to apply for a job.
- ATAR can widen its reach to businesswomen through well-known businesswomen's associations.[59] This would also reduce the "overtraining" that the women feel.

EVALUATION QUESTION 6

How effective has each component of ATAR's technical assistance to institutions been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.

The following table pairs ATAR's three components with their relevant institutional entities, and clarifies where in this report the effectiveness of ATAR's capacity building and technical assistance have already been addressed.[60]

[59] Examples include the Peace Through Business Network, Leading Entrepreneurs for Afghanistan's Development (LEAD) and Goldman Sach's 10,000 Women's Afghan Alumni Association.

[60] In a meeting with USAID on July 16, 2015, the parties agreed that Evaluation Question 6 would pertain only to non-WTO related capacity building and technical assistance. In addition, some aspects of Evaluation Question 3 address capacity-building under ATAR's Component 2, and so are not addressed there.

<table>
<tr><th>Component 1</th><th>Component 2</th><th>Component 3- Improved Customs Administration</th></tr>
<tr><td colspan="2">1.Trade Policy Analysis Unit (TPAU) (Covered in this section)</td><td rowspan="6">a. Support Regional Integration (See response to EQ3)
b. Monitor the Border Management Model
c. Implement Risk Management Systems
d. Ensuring Compliance at ACD
e. Support Streamlined Customs Procedures
f. Enhance the Development of Post Clearance Audit
g. ANCA</td></tr>
<tr><td colspan="2">Bilateral Trade Agreements Unit (See response to EQ2)</td></tr>
<tr><td colspan="2">Regional Trade Agreements Unit (See response to EQ2)</td></tr>
<tr><td>2. Central Statistics Office (CSO) (Covered in this section)</td><td rowspan="2">EPAA (See response to EQ3)</td></tr>
<tr><td>3. Component 1 Customs - Strengthening the Customs Code (Covered in this section):
a.Valuation
b. Advanced Binding Rulings
c.IP Enforcement</td></tr>
</table>

Fig.3

Finding – Capacity TPAU and CSO

The Trade Policy Analysis Unit (MoCI- TPAU)

The TPAU collects trade data from ACD and the EPAA, which is used to compile Afghanistan's annual *Trade Policy Review*. Accurate analysis of this data is critical for determining Afghanistan's trade policy and assessing the impact/benefits of potential trade agreements.[61]

TPAU staff stated they have not received assistance from ATAR for the past six months to a year. Even when they were receiving regular assistance, it was largely in the form of visits once a week from an international ATAR staff member, which they found insufficient. The staff stated that ATAR's international consultant was cooperative and had practical knowledge that they found helpful, but "did not know about economic theory." TPAU's staff consist of well-educated recent graduates with a need and interest to develop practical experience.[62]

As one official stated "they [consultants] sit at Baron and send the analysis to us." As a result, the staff have not developed sufficient capacity to analyze data by themselves. While TPAU staff confirmed that ATAR conducted a needs assessment, they said ATAR had not interviewed relevant staff. However, the staff confirmed benefitting from an ATAR workshop they attended on accessing the database and data analysis, hosted at the Central

[61] For example, this data was used in the estimating the impact of the implementation of the SAFTA agreement on Afghanistan, which led to negotiating a reduction in the list of sensitive goods. MoCI verified that ATAR has provided technical support on this.
[62] This point was expressed both by the staff of TPAU and a senior official within MoCI.

Statistics Office (CSO). The Unit stated that it had not received any lectures on economic theory, trade policy, or economic development.

ATAR's technical assistance has had some limited but positive impact on TPAU's outputs. One example is the use of trade data to negotiate reducing the list of sensitive goods in the South Asian Free Trade Area (SAFTA). ATAR has also helped in preparing the *Trade Policy Review*, which is a very useful and contains critical data for formulating trade policy.

A relevant USAID official stated that, in response to a request by the Directorate of International Trade to provide more in-depth analytical training, USAID priced the cost, which USAID [ATAR] could not afford.

Central Statistics Office (CSO)

ATAR has supported ACD and CSO to harmonize trade-related data between the two organizations. ATAR also supported ACD and CSO in signing an MoU in March 2014 to promote cooperation in the area of import and export statistics for Afghanistan.[63]

ATAR provided two computers and a scanner to CSO to handle ACD data, which CSO reported as being very helpful in accomplishing its work and increasing its outputs. ATAR also trained CSO staff on ACD's data structure. According to CSO, these trainings have helped build its capacity and improved its ability to address earlier problems with data analysis.

ATAR has also conducted roundtables involving CSO and ACD officials to assist in identifying reasons for discrepancies.[64] Discrepancies in trade statistics during Year 1 were reduced from around 30% to 15%-20%. ATAR's goal in Year 2 is to reduce discrepancies from 15% to 12% overall, with a maximum data discrepancy of 20% within any product category or country.

According to CSO, the data it now receives from ACD is the exact data ACD has in its ASYCUDA system. CSO reported it has representatives in places where ASYCUDA is not implemented and it combines all data from customs and publishes it in weekly, monthly, and annual reports.

To further reduce statistical discrepancies, ATAR held six trainings at CSO in January and February 2015. These trainings focused on the application of software in statistics and analysis and the preparation of formats to help eliminate discrepancies in the reporting of external trade data by CSO, ACD, MoCI, EPAA, and MAIL.

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[63] According to the MoU, CSO receives information on import/export statistics from ACD on a monthly basis and processes this information in accordance with the CSO reporting structure.

[64] Major sources of discrepancies include (i) country of origin versus country of departure; (ii) dutiable versus non-dutiable imports (the latter category includes, for example, imports by the International Security Assistance Force, diplomatic missions, and international organizations); and (iii) manual versus ASYCUDA data.

CSO claims that its data now has zero-percent discrepancy. It also stated that it is able to sustain its current capacity levels, although it would like more training. While CSO is pleased with ATAR's capacity building and support, the Office would like the Heads of Departments to have some input regarding upcoming trainings.

Conclusions

1. The TPAU lacks the capacity to conduct trade analysis. The Unit complains that ATAR provides analyses instead of including staff in the analytical process. However, the Unit has developed limited capacity in understanding the impact of trade data on trade policy matters.

   According to USAID officials, ATAR does not have the financial resources to provide professional training to TAPU to develop the needed analytical skills.

2. CSO is responsible for data the government relies on to make policy decisions. While we do not have the evidence to confirm CSO's claim that it now has zero-percent discrepancy, we can state that ATAR's support to and capacity building of CSO has had a positive effect and has significantly improved CSO's outputs – an important function for both the GIRoA and the private sector. ATAR has met its benchmarks for reducing discrepancies in statistical reporting between ACD and CSO.

Recommendations

- ATAR should try to include TPAU staff when conducting trade analysis.
- ATAR should continue its support to CSO and seek the Office's input regarding upcoming trainings.

Component 1: Support to ACD on Strengthening the Customs Code

Finding – Customs Valuation-GATT Article VII

The WTO Law on Customs Valuation is contained in GATT Article VII and is the standard used most all over the world. It is very complex, consisting of six methods of determining valuation, and represents international best practices. It is the standard that WTO members must use in determining customs valuation.

The Afghanistan Customs Department (ACD) is in the process of amending its Customs Code to adopt GATT Article VII.[65] An ACD official insisted that while the amendment to the Customs Code is pending, it is employing GATT Article VII as the means of determining customs valuation. The official further noted that the United Nations Conference on Trade

[65] Source: ACD.

and Development (UNCTAD) helped ACD, and ACD has decided on amending the Customs Code by using a single sentence that it has adopted GATT Article VII.[66]

National Valuation Database

The World Customs Organization (WCO) provides guidelines on the use of a national valuation database. It makes clear that a valuation database may be used by a Customs Administration only as a risk-assessment tool (along with other risk-assessment indicators), and must be designed specifically to assess potential risk regarding the truth or accuracy of the declared value for imported goods.[67]

Field Visits

In our visits to Jalalabad/Nangarhar, Herat, Hairatan, Kabul International Airport, and Kabul Inland Customs locations, we found that every location was using the valuation database to determine customs valuation.

ACD contends that many invoices and declarations are fraudulent; therefore, it uses the database when the importer cannot establish the authenticity/accuracy of the value. However, in every location we visited, Customs officials stated they only consider the invoice documentation if the invoiced value is higher than the value in the database. If the invoice value is lower in the database, then that is the value used to determine applicable duties irrespective of authenticity of the invoice.

One private sector importer stated that when an item is not in the database, Customs contacts a sales establishment and obtains a price. Often, the items are not the same, so the pricing is not accurate.

ACD has received valuation technical assistance from ATAR,[68] and according to the Department, from the United Nations Conference on Trade and Development (UNCTAD) as well, but seems unwilling/unable to implement it. This might be the case because ACD customs officers do not have the capacity to apply GATT Article VII, as it is very complicated. ACD also has a handbook that contains the methods of customs valuation. However, it was not being applied in the customs field despite ACD's claims. Moreover, each location we visited had valuation issues because all commodities are not in the database. For example, for a shipment of serum, Herat Customs was unable to determine the value because the Herat valuation database did not contain a value for serum.

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[66] According to the official, the methods of valuation are contained in the procedures regulations, which have been drafted and procedures and are being used by customs all over the country.

[67] The information in the database must be recent and must be regularly updated to provide accurate pricing. Further, the database values are not be used in determining the Customs value for imported goods, as a substitute value for imported goods, or as a mechanism to establish minimum values.

[68] ACD officials also stated that ATAR had not conducted any valuation training. However, we verified from ATAR's training database that ATAR has conducted at least five GATT Article VII valuation training to ACD, three of which were trainer to trainer (TOT). ATAR also stated in its Year 2 WP that it had delivered sessions on customs valuation, training to eight ACD/ANCA officials who have the capacity to train others. *ATAR Year 2 Work Plan*, p. 14

Conclusions

1. ACD is not using international best practices in determining customs valuation. We discussed this matter with ATAR staff, who are aware of this.
2. Using the valuation database to determine valuation might also be unfair to legitimate traders who cannot make the best business decisions because they do not know what value is in the database. Further, traders should be able to make deals with confidence that Customs will accept their invoice value, and if not, apply the GATT Article VII method of valuation to determine applicable duties.
3. In this case, we cannot determine the impact of ATAR's efforts on customs valuation because ACD is not employing the WTO valuation rules.

Recommendation

We recommend that ATAR find some common ground and work with the ACD to implement customs valuation best practices – that is, the GATT Article VII method of valuation.

Finding – Advanced Binding Rulings[69]

In response to a written request from an importer, Customs can provide a written binding ruling related to classification, country of origin, and valuation of an import or export. Advanced Rulings provide certainty to importers, enabling them to make more informed business decisions, and is also a trade-facilitating measure. The decisions are binding on Customs.

ATAR assisted ACD in preparing the rules and procedures for Advanced Rulings. ACD has verified that ATAR has provided technical assistance on this, and ACD has accepted ATAR's proposals. However, a senior ACD official stated that the Department will not implement Advanced Rulings for about 1 ½ years.

Implementing Advanced Rulings is complicated and requires strong capacity and understanding of the customs rules and procedures related to classification, country of origin, and valuation. ACD does not appear to have the capacity to do so at this time and it will take significantly more capacity building to do so.

Conclusion

ATAR met its Work Plan commitments in technical support on Advanced Rulings to ACD.

Recommendation

ATAR should continue providing training on Advanced Rulings to the responsible customs officers.

[69] Under Standard 9.9 of the Revised Kyoto Convention, contracting parties are bound to provide Advanced Rulings.

Finding – Enforcing Intellectual Property Rights

ATAR's Year 2 Work Plan included assisting the GIRoA in establishing an Intellectual Property Border Enforcement Unit at ACD in April 2015, as well as providing training to the staff on the basis of adopted procedures on border enforcement.[70] ATAR also planned to support the development of procedures and a database for this Unit, including the development of methodologies for recognizing infringing goods and providing support for trademark and copyright awareness.

ATAR has done some work on intellectual property training and awareness.[71] In April 2014, ATAR conducted intellectual property legal training for judges, prosecutors, defense attorneys, and members of the Ministry of Information and Culture (MoIC). ATAR also facilitated a tour of the US Patent and Trademark Office for Afghan officials,[72] and provided trademark training in 2014 and two trainings to date in 2015.

ACD is enforcing intellectual property rights (IPR) at the border crossing points, but needs more capacity building on this. ATAR's IPR trainings were useful but more training/capacity building is needed for IPR enforcement.

There is currently no automated database or registry for either trademarks or copyrights, which makes enforcement uneven, *e.g.*, according to the Afghanistan Commercial Business Registry (ACBR), ACD issues different decisions regarding the same item.

Conclusions

1. Given the importance of IPR enforcement and the complexity in enforcing IP rights, more IPR training and awareness are needed, as well as capacity building, for ACD, ACBR, and the MoIC.
2. Neither the copyright nor trademark automatic database is functional.

Recommendations

- ATAR should follow through on its Work Plan and develop ANCA's capacity for training regarding IPR enforcement.
- ATAR should work with ACBR, the Copyright Unit, and ACD to build capacity for more uniform IPR enforcement.
- ATAR should continue its activities in IPR awareness.

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[70] Source – ATAR employee. "ACD requested the GIROA allocates resources to establish an Intellectual Property Border Enforcement Unit at ACD. This Unit was expected to be established in April 2015 and staffed in May- June 2015, but the GIROA did not allocate the requested resource to establish the Unit. Once the GIROA allocates the resources, then ATAR will assist ACD in establishing the Unit and provide training to the staff on the basis of adopted procedures on border enforcement with a focus on implementing *ex officio* authority."

[71] To date, ATAR conducted 25 IP Trainings in Trademark, Copyrights and Patents.

[72] The Responsible official complained that this training did not target responsible staff and was therefore not helpful to the Directorate. He stated that ATAR should decided if the training is capacity building or lobbying for WTO accession and plan accordingly.. *i.e.,* which staff should participate in the activity.

- To the extent feasible, assist the GIRoA in implementing automated databases for trademark and copyright.

Component 3: Support to ACD on Customs Administration

Finding – Monitor Border Management Model

In most countries, the Customs administration is tasked with: 1) facilitating trade, in which both the customs department and the private sector have compelling and competing interests; and 2) securing the borders to protect national security against threats relating to arms trafficking, commercial fraud, violation of intellectual property rights, and health, safety, and environmental laws. These competing roles of border enforcement and trade facilitation can often lead to tensions and conflicts between the private sector and the responsible government agencies.[73]

On March 16, 2011, President Hamid Karzai signed a Border Management Model (BMM).[74] To implement the BMM, the Minister of Finance and the Minister of Interior Affairs signed an MoU regarding the BMM on June 4, 2011. Under the agreement, the BMM is based on a "two-agency" approach whereby the Afghanistan Border Police (ABP) fulfills immigration and security responsibilities and ACD fulfills all other commercial and trade-related duties.[75] ATAR undertook an assessment of a number of Border Crossing Points (BCPs) for compliance with the BMM. ATAR's assessment found that the BMMs were fully compliant.[76]

The Evaluation Team visited Jalalabad, Herat, the Hairatan Inland Customs, and Hairatan Border. Due to security reasons, we were unable to visit Islam Qala (Herat) and the Torkham borders (Jalalabad/Nangarhar). However, we interviewed key officials in Nangarhar, Herat, Hairatan Inland Customs, and Hairatan Border Customs regarding the BMM.

ACD – Kabul

A senior official at ACD stated that the BMM was really important. He noted that while the TAFA project had supported ACD in drafting procedures and implementing the BMM, ATAR did not have any activity in this regard.

The official stated that ACD Kabul had sent an official letter to the customs field office to implement the BMM. The official further noted that ACD is not monitoring implementation of the BMM because it is already implemented and functioning. The official explained that

[73] In Afghanistan there are agencies at the border that can sometimes overlap with customs functions. These agencies include the State Owned Corporation (SOC) and State Owned Enterprises (SOE) under the Ministry of Commerce and Industries known as ASTRAS and the FLGE respectively.

[74] Presidential Decree No. 7413-25/12/1389.

[75] In 2010, the International Monetary Fund (IMF) placed a benchmark upon the Government of Islamic Republic of Afghanistan (GIROA) to implement a revised operating model for agencies at Border Crossing Points (BCPs).

[76] ATAR's *Final Report on Border Management Model Compliance*. The Report also noted that the truck scanner at Torkham was non-operational and "needed to be repaired urgently as it was a vital tool in efforts to combat smuggling" ATAR's BBM Compliance, p.9.

ACD needs a new version of BMM because there are many offices, which is not useful and create problems in the processing of the goods. These offices include CSO, ANSA, the Municipality in Hairatan Customs, oil, petroleum, and liquid gas companies. The official stated that ACD had asked ATAR to assess the BMM implementation and ATAR's assessment was "perfect." The official expressed skepticism regarding ATAR's BMM assessment.

ACD is currently considering new BMM models, including establishing a bonded warehouse at Hairatan. Officials state that ACD would like to have ATAR's support and input.

Nangarhar Inland Customs

Nangarhar Customs officials reported challenges at the border because there are many agencies taking space and interfering with its entry clearance procedures. These include: MAIL, MoI, Passport Control, and the National Intelligence Department.

The officials also stated that ATAR's employee meets regularly with the Afghan Border Police (ABP) regarding BMM and has established good cooperation between Border Customs and the ABP, but the ABP still continues to interfere with customs functions. Officials reported the ABP takes money from people with hand-carried cargo and illegally re-routes them so that they do not pay duties on their hand-carried cargo. One official noted that he had been working at Torkham Customs for the past year and, so far, had not observed any customs clearance for hand-carried cargo. Senior officials at ACD Kabul stated that, *"the problem is not really with the BMM but with Customs' not taking responsibility." Officials further stated "the money that passes goes far beyond the Border Police but to other places as well."*

It is noted that the scanner at Torkham is non-operational and there are still no security cameras.[77]

Herat Inland Customs

At the time we visited Herat Inland Customs, the Deputy General for Border Customs and the Deputy General for Inland Customs were both new; therefore, we were unable to obtain much information on the functioning of the BMM. The ATAR employee stated that he had conducted an assessment of the BMM and met with the Head of Islam Qala Customs and ABP. He noted that the current model is working without any problems.

The scanner at Islam Qala was non-operational.

[77] Ibid.

Hairatan Border Customs

Senior officials at Hairatan Border Customs stated that the ATAR employee was the person mostly working with Border Customs regarding BMM. Customs reports that, currently, Hairatan ACD and the ABP cooperate well and each department works according to the BMM, with no intervention by either side.

A Senior Hairatan Border Police also confirmed that there is good cooperation between the ACD and ABP and neither side intervenes in the activities of each other. The official noted, "I am really happy with the cooperation and coordination of customs with our department and I don't have any complaints."[78] *However, senior ACD Kabul officials state that Hairatan Border Customs has many problems, including insecure holding places for incoming cargo/oil, leakage etc., and is one reason to reassess the current BMM.*

Conclusions

1. ATAR is assisting ACD in monitoring the implementation of the BMM. However, given the limited observations that we made, we are unable to state whether ATAR is being effective in all six borders where the BMM has been implemented.
2. We are able to state that, at least in Torkham, ATAR is trying to enforce the BMM with limited success. We can also state that the BMM appears to be working well in Hairatan, with ATAR playing an important role.
3. As a result, ATAR, to some extent, is improving the output of customs operations at the border.

Recommendations

- Scanners at the border are important tools in customs clearance procedures in combatting smuggling and illegal shipments, and they also facilitate trade. The scanners at both Torkham and Islam Qala should be repaired.
- Notwithstanding the BMM, the Minister of Commerce and Industries stated that ATAR should have worked on the borders better and provided a clearer structure. He stated that, "[N]one of the borders' problems have been solved in the past years."[79]
- He recommended that ATAR should come up with a clear structure for all the borders and clear roles and responsibility of the MoCI as trade facilitator and customs in the borders. He further noted, "[T]his should become their priority."

[78] The ATAR employee stated that he had implemented the BMM in Shairkhan Bandar, Hairatan, and Aqina and had reviewed all the BMM in all Afghanistan Customs. We have good BMM in Hairatan Customs.
[79] See Note___, interview with the Minister Humayoon Rasaw, at MoCI on July 26, 2015.

Finding – Risk Management

Risk Management is a trade facilitation measure contained in the WTO Agreement on Trade Facilitation (TFA)[80] and requires each Member to adopt or maintain, to the extent possible, a risk management system for customs control. Risk management is based on the premise that customs officials target high-risk shipments using a range of indicators instead of 100% examination of all cargo. Risk Management is also an International Monetary Fund benchmark for Afghanistan.

Currently, ACD has a risk management system in ASYCUDA (ACD implemented under the auspices of the World Bank) that uses only one indicator – a commodity indicator/criterion (HTS) to designate the risk level for a particular shipment (green, yellow, or red).

In the every single customs locations we visited, it was the practice for the Risk Management Committee to re-route (some) green and yellow shipments for examination based on their experience as to whether a shipment has a higher risk level than the ASYCUDA designation. As a customs official stated,

> *ACD does not know the background of our traders and does understand our local risk management issues. … We know the traders and we can check to see if their documentation is correct. ACD does not know this and the risk management module does not check for traders' profiles.*

This re-route practice is contrary to international best practices, and it undermines the risk management system and hinders trade facilitation.

According to the customs field offices, ATAR is collecting information related to re-routing. The customs field officials state they do not know what ATAR is doing with the information – they merely provide it. ATAR stated it is collecting the information for analysis and later use in the risk management database to include more indicators/criteria for an international best practices risk management system.

ATAR activities, as stated in its Year 2 Work Plan, include the development and implementation of additional risk criteria.[81] To date, ATAR has conducted three risk management trainings in Kabul, one in Herat, and two in Tajikistan.

To date, ATAR's technical support and capacity building on risk management has been limited mostly to collecting data, which is important. ATAR should follow through on its plan to analyze and use the data to refine the risk management criteria, update ACD's risk management system, and provide training to customs officials.

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[80] Article 7.4 of the WTO Agreement on Trade Facilitation.

[81] ATAR's WP also includes developing and training Risk Management Units and Intelligence Units, and implementing risk management principles in cargo selectivity at all Automated Systems for Customs Clearance Data (ASYCUDA) clearance locations — both at ICDs and BCPs.

Risk Management Unit's Revenue Data (Re-Routing)

Period	Herat IC[82]	In US $	Nangarhar IC	In US $	Hairiatan IC[83]	In US $
22 Dec 14 - 20 Jan 15	5,601,201	$92,452	2,151,128	$35,506	1,267,723	$20,923
21 Jan 15 - 19 Feb 15	1,670,809	$27,578	4,329,905	$71,468	113,493	$1,873
20 Feb 15 - 20 Mar 15	1,482,466	$24,469	4,026,852	$66,466	163,215	$2,694
21 Mar 15 - 20 Apr 15	3,414,038	$56,351	5,398,182	$89,101	874,824	$14,438
21 Apr 15 - 21 May 15	1,503,838	$24,822	4,390,910	$72,475	293,909	$4,851
22 May 15 - 21 June 15	840,688	$13,876	625,431	$10,322	271,478	$4,481
Total	14,513,040	$239,548	20,922,408	$345,338	2,984,642	$49,260

Fig. 4. Conversion rate Afs @ 60.59 with figures rounded; IC – Inland Customs

Conclusions

1. ACD's risk management as currently implemented hinders trade facilitation and does not meet international best practices. The risk management indicators/criteria need to be refined, including additional criteria/indicators. Customs field offices also need more risk management training.
2. ATAR's limited risk management training has not resulted in significant positive outputs in ACD's risk management system.
3. Based on the revenue collected from re-routing, as illustrated in Fig. 4, there are significant differences in revenue collection with the different Inland Customs locations. Explaining this is beyond the scope of our evaluation due to time constraints and the unavailability of essential data, such as the volume of trade. However, we provide this finding for your reference.

Recommendations

- ATAR should continue working with ACD on updating and increasing the risk management indicators/criteria and implement them.
- ATAR should conduct more risk management trainings to prepare customs officials to observe international best practices.

[82] Source: Kabul ACD for Herat and Nangarhar,
[83] Source: Hairatan Inland Customs



Nangarhar Customs; Photo - Courtesy: Savitri Singh

Finding – Streamlining – Implementing the Blueprint

Between June and September 2011, the TAFA Project had assisted ACD in reviewing the importation procedures at all Inland Clearance Depots (ICDs). This review identified significant differences within each regional ICD. Shortly after these reviews were completed, TAFA assisted the ACD in the development and implementation of a single national standard procedure (hereafter referred to as the 'blueprint'). This blueprint contained a total of 13 steps.[84] ATAR's field employee stated that TAFA had succeeded in substantially eliminating non-compliant steps. However, during the gap between TAFA and ATAR, customs locations added non-compliant steps. [85]

[84] See, *Compliance Assessment of the National Streamlined Importation Procedures Blueprint,* USAID Report
[85] We were unable to obtain the data to confirm this.

Streamlining Status Current and Prior to ATAR

Location	Current Steps[86]	No. Of Non-compliant Steps	Steps before ATAR[87]	No. Of Non-compliant Steps Prior to ATAR
KIA	20	7	20	7
Kabul ICD	18	5	18	5
Herat ICD	18	5	16	3
Jalalabad ICD	22	9	19	6
Hairatan ICD	19	6	20	7

Fig. 5

We found that ATAR faces challenges insofar that the customs locations are resistant to ATAR's efforts to remove non-compliant steps. For example, a senior official in Herat complained that ATAR had removed a step that resulted in the Head of Entry Processing Unit no longer having authority to sign documents. The same official complained that ATAR wanted to remove extra organizational steps, and that Herat IC was opposed to this.

In Nangarhar, while Customs senior officials were happy with ATAR's streamlining activities, they opposed the Project's efforts to eliminate additional steps.

It is worth noting that there seems to be a communication gap between ATAR and ACD Kabul. For example, a senior official at ACD stated that ACD Kabul had sent a letter to all the field offices informing them to follow the blueprint for entry processing steps. *The official stated that ATAR has not informed ACD of its efforts and challenges on streamlining for the past 1½ years, and therefore ACD Kabul has not advised the field offices to work with ATAR on streamlining. The official stated that this is an important point and he would be pleased to work with ATAR on implementing the blueprint regarding streamlining.*

Conclusions

1. ATAR appears to face an uphill battle in eliminating additional entry-processing steps. Its activities in this area have had a very limited positive impact on outputs.
2. There appears to be a communication gap between ACD and ATAR. We are unable to decipher if this is due to an animus ACD might harbor towards ATAR, or whether it is an accurate depiction of ATAR's efforts.[88] Whatever the case, ATAR should clarify both its relationship and its scope of work with ACD. Based on our evaluation, the relationship appears to impact both productivity and the potential positive impact of the Project.

Recommendations

- ATAR should continue its streamlining efforts.

[86] ATAR Bi-Weekly Report June 1-15, 2015
[87] ATAR Quarterly Report Nov-Dec 2013
[88] We do not believe that there is a personal animus or personality issues involved.

- ATAR should consult with and urge ACD Kabul to advise/require customs field offices to work with ATAR on following the blueprint entry-processing steps.

Finding – Post Clearance Audit

Post Clearance Audit (PCA) is an effective trade facilitation measure insofar that it allows the immediate release of imported cargo through the subsequent use of audit-based regulatory controls.[89] At the time of importation, customs assess duties based on the declaration the trader submits. Once customs verifies the declaration and decides whether or not to examine the goods, the goods are released upon the payment of duties. However, there are elements of the declaration that cannot be adequately verified at the time of importation. Customs may then conduct a PCA to determine the accuracy of the information. If the audit finds that the declarations were not accurate and additional duties are required, the trader pays the additional duties.[90]

However, in the field locations we visited, we found that ACD conducts the "PCA" after the payment of duties but prior to the release of the cargo. ACD has agreed that the process is not consistent with PCA best practices.

International best practices PCA works well for large companies insofar that they have repeated customs business, are easily found, and customs can more easily collect any additional duties. However, we found that many traders at the borders are small businesses that would be difficult to find during a PCA. In Herat, customs was conducting "PCA" prior to the release of the cargo because the importers demanded confirmation that the declarations were correct at the time of entry, otherwise they would refuse to pay any additional duties after the release of the cargo. Partly because of the difficulties in finding small importers and the challenges in collecting additional duties, all the customs locations we visited were conducting "PCAs" prior to the release of the goods.

ACD Kabul is aware of this and understands that this practice is inconsistent with international best practices. ATAR is also aware of this and is planning to support ACD in implementing a professional PCA function.

[89] The WCO Revised Kyoto Convention Standard 6.6 provides that "Customs control systems shall include audit-based controls."
[90] The primary purpose of PCA is to confirm that compliance exists following an audit of a customer's processes, systems, and procedures. PCAs are often targeted at larger, international companies and undertaken at a customer's place of business.

Post Clearance Audit's Revenue Data

Period	Herat IC	In US $	Nanga-rhar IC	In US $	Hairatan IC	In US $
22 Dec 14 - 20 Jan 15	235,435	$3886	136,494	$2253	41,263	$681
21 Jan 15 - 19 Feb 15	330,674	$5458	242,190	$3998	71,600	$1,182
20 Feb 15 - 20 Mar 15	101,750	$1679	135,264	$2233	274,400	$4,529
21 Mar 15 - 20 Apr 15	126,592	$2,089	68,576	$1132	231,577	$3,822
21 Apr 15 - 21 May 15	111,874	$1,847	111,398	$1839	77,000	$1,271
22 May 15 - 21 June 15	144,229	$2381	65,830	$1087	54,000	$891
Total	1,050,554	$17,340	759,752	$12,542	749,840	$12,376

Fig. 6. Source: ACD; Conversion rate Afs @ 60.59 with figures rounded; IC – Inland Customs

It should also be noted that if Afghanistan used an international best practices risk management system, it is likely that these particular "PCA" steps would be eliminated. But then, as one person noted, that will "close the Customs supermarket."

Conclusions

1. ATAR activities on PCA are ongoing, and as a result we cannot measure the impact of ATAR's assistance to ACD regarding PCA.
2. As illustrated in Fig. 6, the revenue collected from employing "PCA" does not appear to be substantial and should be balanced against the cost to traders and the negative impact on trade facilitation. There is also insufficient information to determine the validity of these additional duties. Again, doing so is beyond the scope of our evaluation due to time constraints and the availability of essential data. However, we provide the table for your reference.

Recommendations

- ATAR should continue working with ACD to implement an international best practices PCA program, in the beginning, aimed at larger importers.
- The process currently being used by customs as "PCA" should be termed pre-release verification (post-payment verification) or something else, as it is not a PCA even within the literal meaning of the term.

Finding – Ensuring Compliance at ACD

In consultation with ACD, ATAR prepared a draft policy and procedure manual for the implementation and operation of an Internal Audit Unit (IAU) for ACD to combat corruption. According to ATAR, the policy and procedures contained in the manuals are in line with associated standards in the "Standards for the Professional Practice of Internal Auditing."[91]

[91] ATAR Quarterly Report, March 2015, p. 49

A senior ACD official stated that the Department needed help with anti-corruption, and ATAR prepared "two big manuals and gave them to us. … We filed them away." The official then stated that ACD needs tangible assistance in combatting corruption. According to him, ACD has implemented an asset declaration policy whereby employees must register their assets. According to the official, ACD can track to see if an employee suddenly has more property, cars, *etc*., that are inconsistent with his/her salary. The official further stated that, "We need little advice. We want and need action. We do not need documents."

We discussed this matter with the responsible ATAR employee, who believes that ATAR's assistance in providing the manuals was beneficial to ACD and the matter is still under consideration with ACD.

We would also note that customs automation and ATAR's efforts have most likely reduced streamlining steps and have had a positive impact on reducing corruption.[92]

Conclusion

ATAR's assistance to ACD on combatting corruption is ongoing. Therefore, we cannot determine the impact of ATAR' assistance on ACD's outputs.

Recommendation

ACD has expressly stated that documents are not helpful without an action plan. ATAR should consult with the appropriate ACD official and agree on a plan of action for combating corruption.

Finding – Afghanistan National Customs Academy (ANCA)

In its Year 1 and Year 2 Work Plan, ATAR set out to develop gender-training material for ACD and support ACD and ANCA to deliver gender awareness training to all ACD staff, including conducting training of ACD trainers.[93] ATAR's Year 2 Work Plan included, among other tasks, that ATAR would build the capacity of ANCA's trainers to train on intellectual property border enforcement, support the development of a modern customs curriculum, and train Afghan trainers in the development and delivery of customs courses.

ATAR has been involved in ANCA's activities since the beginning of 2014. The following is a list of the main trainings that ATAR has delivered to ACD.[94]

- Two training-of-trainers and three gender trainings at ANCA
- One two-day TIR awareness and training seminar[95]

[92] We cannot definitively state this as a fact as we do not have supporting data. Generally, however, such steps have a positive impact on reducing corruption.
[93] This activity will be supported by the ATAR National Training and Development Specialist. ATAR Year 2 Work Plan, p. 63.
[94] Source: ATAR events and trainings.
[95] At the Association of Afghanistan Freight Forwarders Companies (AAFFCO) for 30 transport operators Sept. 17 and 18, 2014.

- One two-day TIR train-the-trainers workshop at ANCA for 20 customs officers[96]
- Training and promotion materials to support current and future TIR programs
- One IPR training (December 27, 2014)

According to ANCA, ATAR developed the *Afghanistan National Customs Academy Administration Instruction*, which was very helpful.[97] However, ANCA faces a challenge in not having a proper a curriculum. ATAR stated that it is developing a curriculum it will provide to ANCA.

While ANCA officials stated that ATAR's trainer is knowledgeable and helpful, they expressed dissatisfaction that he comes only about five time a month and sometimes less so due to "white city" lockdowns. However, ANCA noted that the trainer is available through the Internet and has done a great job in developing training materials, conducting trainings, and is usually responsive to ANCA's requests. The ANCA official noted, "[H]e is like me, an Afghan, and he does not need much security. If he could come on regular basis, I mean five days a week, then he would be more efficient."

ATAR stated ANCA has not been not been operating since September 2014 for budgetary reasons. For this reason as well as for security reasons, ATAR has not been supporting ANCA since then.[98] However, ANCA informed us that it has continued to conduct short-term training during this period.

Conclusion

ATAR has contributed to better outputs from ANCA, but the latter believes that it needs more capacity building.

Recommendations

- Continue support to ANCA.
- Prepare and provide a curriculum to ANCA, including long-term courses.

Overall Findings Relating to ACD, MoCI Concerns

Relationships between ATAR and ACD

We found the relationship between ACD Kabul and ATAR to be generally weak, with a few ACD officials expressing an animus toward ATAR, although this did not appear to be personal. Areas of expressed dissatisfaction include:

[96] Sept. 7 and 8, 2014
[97] Source: ANCA officials
[98] ANCA was off-limit to ATAR staff due to suicide bomber on World Customs Day.

- ACD's suspicion of ATAR's hiring practices relating to ATAR's national personnel staffer(s). ACD alleges that ATAR's personnel discriminate against certain Afghan ethnic groups.
- The relationship appears more positive in the regions. ACD's senior officials in Herat, Jalalabad, and Hairatan were largely pleased with ATAR's national staff and believe they are building capacity and facilitating better outputs at these locations.
- A senior ACD official expressed discontent that he was not involved in the development of ATAR's SoW. *The relevant USAID official noted that the particular ACD official did not hold his present position at the time and therefore could not have been a part of the SoW discussions. Both ACD and USAID officials agree that ACD was involved in ATAR's Year 2 Work Plan.*

ACD and MoCI Common Concerns

- Both ACD and MoCI seem to harbor resentment of their inability to meaningfully participate in ATAR's hiring of employees. Both parties contend they are provided only a shortlist of employees from which to make a selection, and that is insufficient because it limits their ability to select candidates who work with them. *On the other hand, a key ATAR employee stated that ATAR follows strict hiring protocols, which includes sharing the long list of qualified applicants with the relevant counterpart, with both sides formulating shortlists, which are then merged. ATAR conducts the interviews and the resulting shortlist is shared with the counterpart. ATAR conducts the reference checks.*
    - *It should also be noted that the hiring protocol was the subject of a separate study resulting in a jointly developed and approved process with MoCI in May, 2014.*

- Criticism of the capacity of ATAR's national staff to provide adequate technical assistance and capacity building. *On the other hand, regarding ACD, a key ATAR staff noted that ACD has been slow to adopt best practice and redress noted shortcomings even after the same staff received repeated trainings, under both TAFA and ATAR.* We have addressed this, recommending that ATAR manage expectations.

- ATAR's security protocols very often limit both national and international staff from going to the counterparts' offices. This not only impacts capacity development, but has also resulted in deep cynicism, especially with regard to ATAR's security protocols for national staff. A few quotes include:
    - Senior MoCI official: "lockdowns are exaggerated for locals and they laugh at us [MoCI staff], telling us that we are working and they are sleeping at home. Statistics will show that locals are not targets."
    - Senior MoCI Official: Security "has impacted capacity building about 80%. The reason TAFA was so successful was because the consultants were in the office with us."

- Senior ACD Official: "They [ATAR] have some good advisors but in most cases their advisors are not competent. They do not come here much, not even the local staff. They sit at the Baron compound and provide online advice. They say they have security issues but is their blood better than mine?"

Recommendation

As we noted in our response to Evaluation Question 2, we suggest that ATAR manage expectations in general regarding what it can and cannot do relating to specific capacity building and technical assistance. While this might initially cause consternation on the part of the Ministry, doing so has the potential to lead to more understanding and harmony on all sides.

IV. ANNEXES

ANNEX I LEGISLATIVE AGENDA AND STATUS- MOCI-ATAR COMPARISON EQ-1

COMPARISON OF THE STATUS OF GIRoA's and IMPLEMENTING PARTNER's (ATAR) WTO LEGISLATIVE ACTION PLAN				
No	Legislation	Responsible Gov't Authority	Status	Stage */Consistent with ATAR's Report*
1	Amendments to the Law on Trademarks of 1 September 2009	MOCI	On Feb. 10, 2015, the President endorsed the trademark law, and it was sent to MOJ for publication on March 7, 2015.	Adopted/ ***Yes***
2	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD	The Minister of Finance adopted this procedure on April 12, 2014.	Adopted/ ***Yes***
3	Order on Optical disks	Ministry of Information and Culture	The Minister of information and Culture signed this Order in November 2013	Adopted/ Not reported
4	Law on Geographical Indications (Law on Indication of Production Place)	MOCI	On Dec. 17, 2014, the Lower House approved the law, which was sent to the Upper House. On Jan. 5, 2015, a session was held on the law at the Commission of Religious Affairs, Cultural and Higher Education of the Upper House. On Jan. 6, a session was held at the National Economic, Financial and Budgeting Commission.	Parliament/ ***Yes***
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL)	Submitted it to Parliament in January 2015.	Parliament/ ***Yes***
6	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI	MOJ is further reviewing the draft per request of Council of Ministers Legislative	Council of Ministers/ Ministry of Justice/***Yes***
7	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC)	The Legislative Committee of the Council of Ministers approved the draft and requested MOJ to check certain terms.	Council of Ministers/ Ministry of Justice/ ***Yes***

8	Amendments to the 2005 Customs Law	ACD	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers/ ***Yes***
9	Law on Animal Health and Veterinary Public Health	MAIL	The draft is under the technical review by MOJ's Educational, Cultural and Health Department.	Ministry of Justice/***Yes***
10	Law on Food Safety	Ministry of Public Health (MOPH)	The draft is under the technical review by MOJ's Finance and Economic Department.	Ministry of Justice/***Yes***
11	Law on Industrial Designs	MOCI	The MOJ Executive Committee held its third working group on the law on March 4, 2015.	Ministry of Justice/***Yes***
12	Draft amendments to the Commercial Procedural Code	MOCI	Draft Amendments being reviewed by MOJ and Supreme Court.	Ministry of Justice/***Yes***
13	Law on Trade Secrets (undisclosed information)	MOCI	Technical review on going by MOJ.	Ministry of Justice/***Yes***
14	Law on Topography of Integrated Circuits	MOCI	Technical review on going by MOJ.	Ministry of Justice/***Yes***
15	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	MOJ's Commercial and Private Sector Department completed its review. The draft is now under the review of MOJ's executive committee.	Ministry of Justice/***Yes***
16	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOJ	Being reviewed by MOJ's Executive Committee.	Ministry of Justice/***Yes***
17	Law on Foreign Trade in Goods	MOCI	Being reviewed by MOJ's Executive Committee.	Ministry of Justice/***Yes***
18	Law on Safeguards Measures for Domestic Protection	MOCI	MOJ's Finance and Economic Department initiated technical review of this draft.	Ministry of Justice/***Yes***
19	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA)	Draft not yet finalized by ANSA. To be submitted to MOJ once finalized.	ANSA/***Yes***
20	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	Draft has been finalized and is being reviewed by DG ACD before submission to the Minister of Finance for signing.	ACD/***Yes***

21	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	Draft to be finalized for review by DG ACD and further signing by the Minister of Finance.	ACD/***Yes***
22	Procedure on Import and Export Licensing	MOCI	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	MOCI/***Yes***
23	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOJ	The draft is not yet finalized	MOJ/***Yes***
24	Procedure on Customs Storage Fees	ACD	The draft is not yet finalized.	ACD/***Yes***
25	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	The draft is not yet finalized.	MoPH/***Yes***
26	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance	The draft is not yet finalized. . To be submitted to MOJ once finalized	Ministry of Finance/***Yes***
27	Law on Plant Variety Protection	MAIL	The draft is not yet prepared. To be submitted to MOJ once prepared and finalized.	Not drafted/***Yes***

ANNEX II CAPACITY BUILDING EQ-2

Ministry/ Office	Draft/ Sustainability	WG	Capacity to Organize	Capacity Building/ Sustainability to Implement WTO Obligations	Comments/ Issues
MoCI/ International Trade	Senior officials[99] stated that they have the capacity to draft agreements. They point out that they have been engaged in negotiating and drafting agreements during the APTTA, the APTTCCA, PATTTA and other agreements, including bilateral agreements relating to Afghanistan's WTO Accession. Regarding drafting legislation, their capacity is limited. The official stated that MoCI can build capacity very quickly if provided with sufficient capacity building.	Yes	Yes. The Directorate has organized events, international meetings, working group discussion. According to senior officials, this capacity is sustainable and the Ministry can function on its own but might need logistical and financial resources.	The Directorate is pleased with how ATAR has helped in its WTO accession activities. They can now organize meetings and negotiate on their own and respond to WTO members queries. Officials noted that they might still have some questions on policy or technical issues when negotiating an agreement but they have the capacity as evidenced from independently and successfully negotiating their WTO bilateral agreements. The official noted that ATAR helped them reach out to Central Asia.	**Barriers:** **Security:** Has impacted capacity building about 80 %. A Senior official stated that the reason TAFA was so successful was because the consultants were "in the office with us." **Lack of Knowledge/experience**: ATAR's national staff do not have the capacity to help build capacity.

99 We use the term "Officials" in both the singular and plural sense for reasons of confidentiality.

MoCI/ WTO Unit	This Unit stated that it needs capacity building, at the technical level, in negotiating and drafting legislation. It should be noted that this Unit is not responsible for drafting legislation but wants to understand proposed legislation, as the Unit is an integral part of Afghanistan's WTO accession process. The Unit noted that senior level management can negotiate but the technical staff need more capacity development. The Unit noted that ATAR discussed drafting amendments with them but brought new laws, which they discussed together with ATAR and the relevant entities, *e.g,* MAIL, stakeholders.	Yes	Yes. This Unit organizes working groups and contributes to organizing and participating in WTO meetings. In addition, an official stated that he was called upon to organize Afghanistan's participation in the Exhibition Milano and was able to do so and only needed financial resources. The Unit stated that it can continue to organize on its own except it might need financial or logistical support.	The Unit stated that it needs Post-WTO accession capacity building, especially for Afghanistan to avail itself of the full benefits of LLDCs.	**Barriers:** **Security** This Unit is unhappy with the national staff because they do not come often enough due to security issues. The Unit noted that security is a big problem. "It causes a lot of delays and impacts our work up to 70-80%". **Lack of Knowledge/experience**: Officials stated that the national staff serve only as a "go-between" and its Unit is more knowledgeable than the ATAR's national staff. Therefore, ATAR's national staff cannot provide capacity building or technical assistance. **Translations**: The Unit noted that translations are a problem insofar that they are literal and do not convey the actual meaning of the English text.

MoCI/ IP Registry	The Directorate has limited capacity to draft legislation. It has drafted regulations with ATAR and there was some capacity building but that was not enough. The Unit also needs capacity building in drafting procedures, and stated that "It is not enough what ATAR is doing". Officials further stated that they are also receiving help from WIPO on TRIPS.	Yes	Yes. The Directorate has arranged trainings with local and/or international organizations. In addition to regular working groups meetings with stakeholders (including ATAR), this Unit has organized trainings for staff with WIPO. It also researched and organized for India to review the first patent application it received because Afghanistan lacks the capacity to conduct patent prosecution/ examination. It is in regular consultations with international bodies relating to its membership in Paris Convention, Madrid Protocol, and Singapore Treaty on the Law of Trademarks. This capacity is sustainable and might only need logistical and/or financial support.	Officials stated that the missing link is that ATAR does not help with capacity building. However, the Directorate noted that without ATAR's help, it would have been impossible to come up with outputs – ATAR helped with some software that was essential in accomplishing outputs. The Directorate stated that it needed more help for post- accession because it does not have the capacity.	**Barriers**: **Security**. Officials stated that the national staff do not come often enough because of security issues. Officials noted that the lockdowns are exaggerated for locals and that they laugh at MoCI staff telling them that they [MoCI] "are working but we are sleeping at home. Statistics will show that locals are not targets. Security is a serious issue and has a negative impact on capacity building" **Lack of Knowledge experience**: Officials stated that the local staff are only a "go-between" because they do not have the knowledge or capacity. Officials further noted that even the ATAR's experts are limited – "they know theory but have no practical experience". He referenced the IP training earlier this year when the expert was highly educated but could not answer questions on practical applications of the trademark law.

MoJ	ATAR's assistance to MoJ is to facilitate MoJ's understanding of the proposed legislation and to assist in shepherding the legislation through the legislative process	Yes	Yes. The Directorate organizes working groups and meetings as needed. Officials stated that they can continue to do so on its own except it might need financial or logistical support.	MoJ officials stated that ATAR had assisted in 24 laws and regulations, including TRIPS and Copyright, the Law on Food Safety, and the Law Industrial Protection. They worked together with ATAR on this - when they have questions concerning documents, ATAR is helpful and answers their question. MoJ also noted that ATAR has been effective and has helped in understanding the issues.	MoJ officials stated that the local employee was embedded when needed and that this was both efficient and effective. MoJ officials further stated that they can do many things by themselves but will need ATAR for Post-WTO implementation. **Barriers**: **Translation**: MoJ stated that the translations were not done by translators with technical knowledge and there were no annotations to understand what literal works or phrase meant. As a result, this impeded its work.
MAIL/ Animal/ Veterinary	The Directorate stated that it already had the capacity to draft regulations and procedures independently. Officials noted that they do not have the capacity to draft laws. Officials stated that they want to learn how to draft legislation, and enforce the SPS. They need more capacity building.	Yes	Yes. The Directorate organizes working groups and meetings as needed. Officials stated that they can continue to do so on their own except they might need financial or logistical support.	Officials stated that, "ATAR provided procedures and regulation and we corrected the translation which has too much problem. They never build the capacity of our staff to be able to produce new regulation and procedure [by ourselves]." However, officials stated that ATAR did assist in helping draft regulations and procedures consistent with WTO rules.	Officials stated that the ATAR employee comes one a week to "check on translations – that is all". **Barriers**: **Translation:** Officials noted that there are serious translations issues and they spend their working group time correcting translations.
MAIL/ Plant Protection	Officials stated that the Directorate cannot draft laws independently but can draft regulations and procedures with technical assistance.	Yes	Yes. The Directorate regularly organizes meetings, including meetings with international organizations, including CODEX. It also is in contact with IPPC to arrange/organize assistance.	Officials stated that ATAR's employee comes once a week for a group meeting and is very helpful in building capacity and understanding the procedures. The Directorate needs on-going capacity development because the issues are very complex.	Officials noted that the local staff are very helpful and knowledgeable in building capacity.

MoPH	Officials stated that ATAR conducted a workshop with all stakeholders and discussed the articles of law. This was helpful but the Directorate cannot draft laws or regulations independently of donor assistance.	Yes	Yes. The Directorate organizes working groups, inter-ministerial and other meetings as needed, including with international organization such as CODEX. The Directorate stated that it can continue to do so on its own except it might need financial or logistical support.	Officials stated that MOPH will need ATAR's assistance in upcoming years for: ▪ technical advisor to install and calibrate technical equipment; ▪ A food technical advisor and more similar technical tasks; and ▪ Help in documentation for ISO and the SPS.	The Directorate stated that it was pleased with ATAR's employee who had expertise and skills and who comes once a week for a working group meeting. The Food Safety Law is new and there were translations issues. **Barriers: Translation**.
MoIC	ATAR assisted in government reform and in the amendments to the copyright law. ATAR also explained the importance of the WTO and is assisting Afghanistan in membership to the Berne Convention. This Unit is new and needs on-going capacity building. They cannot draft regulations or procedures independently and needs continue donor assistance.	Yes	Yes. The Unit organizes working group meetings and can do so with minimal assistance. However, this Unit is new and need logistical and financial support.	Officials stated that ATAR's embedded employee helped to develop its copyright policy but they need more capacity building and training to be at the same level as neighboring countries. Officials noted that there are no copyright experts in Afghanistan. ATAR also helped with copyright awareness and MoIC can do this on its own but lacks the resources.	This Unit needs more awareness outreach. "We are so pleased with ATAR that we want to give them a medal. This has been delayed due to a change in administration." **Barriers**: **Translation**: USAID translators are not technical and they do not always translate the terms correctly.

ANSA	ANSA has independently prepared some guidelines for the certification but cannot draft the regulation. Officials stated that they can now draft rules and regulation without technical assistance in the future "(because drafting laws and rules is not easy)". Officials stated that they need technical assistance in drafting regulations and procedures only in new areas.	Yes	Yes. ANSA has the capacity to organize at several levels. It organized a public/private partnership entity, as well as seeking donor assistance with the Law on Metrology, and coordinates with South Asian technical experts. Officials stated that this capacity is sustainable partly because ANSA operates on the presumption that ATAR will not always be around.	ANSA stated that in preparing regulations there was sustainable capacity building because there were long discussions with ATAR on each article and each sentence of the amendment. Officials stated that ANSA needs capacity building in lab management and other aspects of its function including conformity assessment. In terms of sustainability, ANSA will need continued capacity building but hopes to be financially sustainable due to assessing fees. It is also expecting to have its information center running in the near future. ANSA has developed a public/private partnership aimed at generating fees. ATAR successfully assisted ANSA in developing four marks: product certification, food certification, system certification, halal certification which ANSA plans to establish conformity standards. ANSA is now a Member of ISO and has adopted some ISO standards but does not have the capacity to conduct laboratory tests and conformity assessments.	Officials stated that the Unit needs technical assistance but can substantially manage on its own. Officials stated that ANSA is seeking other donors for TA in implementing the Law on Metrology. The official noted that ANSA needs a public awareness program. ANSA stated that it was happy with ATAR.

ANNEX III STATEMENT OF WORK

USAID | AFGHANISTAN
FROM THE AMERICAN PEOPLE

OFFICE OF ECONOMIC GROWTH AND INFRASTRUCTURE (OEGI)
&
OFFICE OF PROGRAM AND PROJECT DEVELOPMENT (OPPD)

STATEMENT OF WORK

MID-TERM PERFORMANCE EVALUATION
OF
AFGHANISTAN TRADE AND REVENUE (ATAR) PROJECT

I. PROGRAM INFORMATION

Program/Project Name:	Afghanistan Trade and Revenue (ATAR)
Contractor:	Chemonics International Inc.
Contract #:	AID-306-TO-13-00009
Total Estimated Cost:	$77, 755,426
Life of Program/ Project:	Nov 2013 – Nov 2017
Active Provinces:	Kabul, Nangarhar, Herat, Mazar-e-Sharif and Kandahar, Central Asia(Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan) and South Asia (India and Pakistan)
USAID/Afghanistan Mission Development Objective (DO):	**DO1:** Sustainable, Agricultural-led Economic Growth Expanded **DO3:** Performance and Legitimacy of GIRoA Improved
Linkage to Standard Program Structure (SPS):	4.2.1 Trade and Investment enabling Environment 2.2.1 Legislative Function and Processes
Required?	Required - Large project
Type:	Performance, Mid-Term

II. INTRODUCTION

USAID's Evaluation Policy encourages independent external evaluation to increase accountability to stakeholders and to inform decisions on program management, implementation, resource allocation and design. In keeping with this aim, this mid-evaluation will be conducted to review and evaluate the performance of the USAID-funded Afghanistan Trade and Revenue (ATAR) implemented by Chemonics International Inc. The evaluation will

focus on assessing the activity's performance between 2013 and end of 2014 in achieving its program goal, objectives, and results.

ATAR is a four year project that began on November 7, 2013 and will end on November 6, 2017. It is designed to strengthen the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical Transition Period and continuing into the Transformation Decade. ATAR provides: 1) technical assistance on trade Agreements, World Trade Organization (WTO) accession, and rules compliance; 2) organization of regional trade fairs and private sector matchmaking events and supports bilateral agreement for Afghanistan; and 3) capacity building for the implementation of reforms in customs (*e.g.,* Border Management Model (BMM), Risk Management (RM), customs procedures modernization and streamlining, customs procedures harmonization with customs of other countries).

III. BACKGROUND

ATAR is building on the success of two previous USAID/Afghanistan activities, TAFA & TAFA II. In both instances, USAID supported capacity building at both individual and organizational levels. ATAR has three components.

Component 1: Support Trade Policy Liberalization

The goal of Component One is to help Afghanistan take full advantage of WTO membership. Under this component, ATAR supports the liberalization of Afghanistan's trade regime by supporting its accession to the WTO. It is also helping improve the Government of the Islamic Republic of Afghanistan's (GIRoA) ability to formulate a strong, well-coordinated trade and tariff policy that contributes to improved trade policies, laws, and regulations. ATAR supports efforts made by the Ministry of Commerce and Industry (MoCI) and the Ministry of Finance (MoF) to coordinate and strengthen trade-related policy and help reduce the many technical and tariff barriers obstructing both exporters and importers. ATAR works closely with the Trade Policy Analysis Unit (TPAU), the Export Promotion Agency of Afghanistan (EPAA), and the Afghanistan National Standards Authority (ANSA).

Component 2: Facilitate Access to Regional Markets

ATAR facilitates the development and implementation of regional trade in four ways. First, it brokers trade and transit agreements. Second, it is assisting GIRoA implement regional trade agreements and reforms. Third, it supports the implementation of the Central Asia Regional Economic Cooperation (CAREC), Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) and South Asian Free Trade Area (SAFTA) Corridors 5 & 6 by working with countries in the region such as Uzbekistan, Tajikistan, the Kyrgyz Republic, Turkmenistan, Pakistan, and India. Fourth, it fosters trade promotion and public-private dialogue.

Component 3: Improved Customs And Tax Administration

Component Three is dedicated to capacity building, which modernizes, streamlines, and harmonizes customs policies, codes, procedures, and practices. Some of these include Border Management Model (BMM), Risk Management (RM), customs codes, Electronic Data Interchange, Customs Duty Collection Systems, enforcement, and analysis. ATAR has been working in the Afghanistan Customs Department (ACD) and with the Afghanistan National Customs Academy (ANCA) in particular. Also ATAR transferred $ 4 Million to DFID to support VAT efforts in ACD.

ATAR's Theory of Change

The theory of change underlying ATAR "holds that with continued provision of technical assistance to GIRoA related to promoting the necessary policy reforms and capacity strengthening, the resulting better business enabling environment will lead to higher private sector investment, and increase regional trade, economic growth, job creation, and potential for higher domestic revenues".

ATAR's Development Hypothesis

The development hypothesis of ATAR draws from the CARAVAN PAD which posits that sustainable growth and job creation in Afghanistan depend critically on a liberalized policy environment to enable diversified investment and trade and on the ability of the GIRoA to deliver services and maintain fiscal stability in the medium term. In turn, these requirements depend on two major assumptions. The most important one is continued GIRoA political will to pursue change in policy and governance, such as tackling the massive corruption problem through a combination of enforcement and reduction of the institutional space for graft. The GIRoA has made important commitments to reform under the Tokyo Mutual Accountability Framework and in its National Priority Programs. The second major assumption is that the security situation will allow the private sector to take advantage of a liberalized trade and investment regime and better service delivery by investing and creating jobs.

Key inputs for the ATAR project will include technical assistance, training, study tours, and also provide limited commodities that are necessary to sustain and implement reforms in trade policy, promotion and customs agencies. These targeted inputs, based on international best practice and standards, will result in outputs that are both tangible and results oriented. Moreover, study tours and the procurement of IT equipment for GIRoA will result in the completion of policy studies and trade-impact assessments by GIRoA officials, streamlined mechanisms for customer service provision on trade-related questions and issues from the private sector, and the institutionalization of automation in customs procedures. These outputs, among others detailed in the logical framework will lead to the achievement of the project purpose of an Afghan-led liberalized trade policy, including the adoption of a WTO-compliant trade regime, strengthened regional trade and access to markets for Afghan exporters, and the resulting economic growth and jobs creation pursued by the Afghanistan National Development Strategy.

ATAR Partners in GIRoA

Most of ATAR's progress has been at the output level since the nature of the work requires several years and notable events to achieve the intended results: WTO accession, regional trade agreements that are enacted and enforced to increase transit, and reliable and accountable integration of the customs systems to banks and with relevant ministries. To achieve those results, ATAR has been providing consulting advice and technical expertise with its institutional partners.

- MOJ (Ministry of Justice Legislative (Taqnin) Department
- MOCI (Ministry of Commerce and Industry): International Trade Directorate and it's the Transit Department, Afghanistan Central Business Registry and Deputy Minister Office
- MOF (Ministry of Finance): Afghanistan Customs Department (ACD) and, within it, Afghanistan National Customs Academy
- MAIL (Ministry of Agriculture Irrigation and livestock) : Policy and Planning Department, Animal Health and Veterinary Services Department and Plant Protection Quarantine Department
- MOPH (Ministry of Public Health) :Pharmacy Department, and Agriculture and Pharmacy Faculties,
- Quasi-governmental Agencies Afghanistan National Standard Authority and Export Promotion Agency of Afghanistan.

ATAR Achievements

Component 1: Support Trade Policy Liberalization

- GIROA is prepared for its fifth, and possibly final, WTO Working Party meeting. The Working Party proceedings, which are 40% of the accession process, are largely complete other than adoption of WTO-related laws.

- GIRoA drafted new or reformed existing trade laws necessary for WTO accession, the majority of which are on the legislative action plan for Afghan year 1393 and action plan will move to 139.

- The Central Statistics Organization (CSO), Afghanistan Customs Department (ACD), and Export Promotion Agency of Afghanistan (EPAA) are sharing data and discrepancies reduced from around 70% to around 15%-

Component 2: Facilitate Enhanced Access to Regional Markets

- Afghanistan, Tajikistan and Pakistan are now engaged in high level diplomatic negotiations to revise the Afghanistan Pakistan Transit Trade Agreement and Bilateral Trade Agreements.

- Afghanistan's Council of Ministers approved the Cross-Border Transport Agreement-Corridor 5 (CBTA-5) between Afghanistan, the Kyrgyz Republic, and Tajikistan in April 2014. The Kyrgyz Republic must now ratify it.

- The Government of Pakistan opened a trade mission in Almaty, Kazakhstan and vowed to assist the USG in opening up trade routes between Central and South Asia.

    - More than $8 million in business deals were concluded at the Gulfood exhibition in Dubai in February 2014 between Afghan and non-Afghan businesses. Twenty-one Afghan traders, almost half of whom were businesswomen, participated in the exhibition.

Component 3: Improved Customs Administration

- ATAR helped the ACD and the Afghan Border Police (ABP) create a formal partnership to implement the Border Management Model (BMM) and, therefore, conducted a compliance assessment at Customs locations in in Islam Qalat, Aqina, Hairatan and Sher Khan Bandar in the north, Torkham in the east, and Kabul International Airport in central Afghanistan.

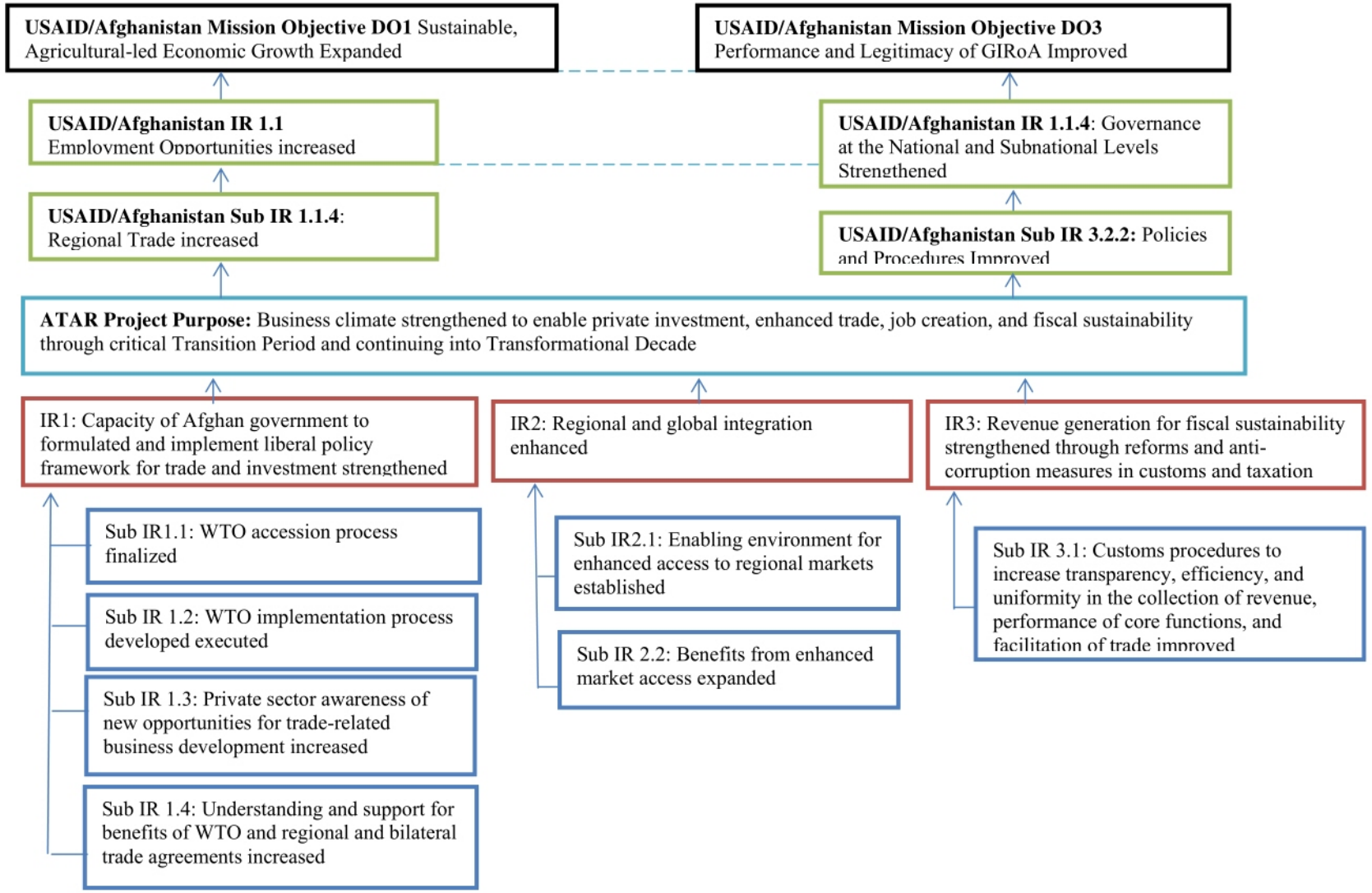
- ATAR reviewed ACD's risk management and import clearance systems and identified areas for improvement. ATAR provided training to ACD officials in risk management to improve their understanding and implementation of the internationally accepted approach to clearing cargo.

- ATAR created an internship program at the ACD including several women within the civil service ranks.

IV. PROGRAM GOALS AND OBJECTIVES

The overall objective of ATAR is to strengthen the business climate in Afghanistan. This will enable private investment, job creation and promote fiscal sustainability through the critical Transition Period and continuing into the Transformation Decade. As depicted in the results framework below, the expected results are: (1) Capacity of Afghan government to formulate and implement liberal policy framework for trade and investment strengthened; (2) Regional and global integration enhanced; and (3) Revenue generation for fiscal sustainability strengthened through reforms and anti- corruption measures in customs and taxation.

Afghanistan Trade and Revenue (ATAR) Project Result Framework



To accomplish these results, the Implementing partner is providing technical assistance to counterparts. The activities include, but are not limited to:

- Draft relevant WTO legislation
- Prepare for WTO negotiations
- Improve technical trade analyses
- Improve the Export Promotion Agency of Afghanistan's ability to represent the country in Expos
- Negotiate trade agreements such as the Afghanistan Pakistan Transit Trade Agreement among others.
- Better coordinated customs policies, procedures, data exchange, and enforcement of internationally accepted models for cross-border operations
- Modernize the ACD by upgrading and automating customs payment operations, registration and clearance modules
- Train customs professionals on valuation, enforcement, risk management, communications,

V. PURPOSE OF THIS MID-TERM EVALUATION

The purpose of this mid-term evaluation is to study and document the performance of the project, determine the effectiveness of ATAR work toward its stated goals and expected results, identify major lessons learned, and make recommendations for the improvement of project implementation in the coming years. The findings and recommendations of the evaluation will be used by USAID/OEGI Trade Team and the Implementing Partner to inform implementation during the remaining life of the project. In addition, shared lessons will also benefit the wider OEGI office and the Mission at large.

In particular, the evaluation should:

1. Examine the effectiveness, efficiency and sustainability of ATAR's intervention in each of the activity components, focusing on the following key areas:
    a. Creation of work teams, organizations, and procedures for and accession to the WTO;
    b. Technical assistance to the principle partners at the MOCI (ANSA, TPAU and EPAA),
    c. Creation of a cadre of capable staff at the MOJ Legislative (Taqnin) Department, and MOF (ACD) who can implement and carry out reforms, particularly the ability to utilize software systems that automate payment systems and cargo acquittal;
    d. Capacity building of GIRoA officials; and
    e. Linkages between businesses and associations in the private sector throughout South and Central Asia through its Business to Business (B2B) events (forums, expos, workshops etc.).
2. Identify lessons learned on program design and implementation that can guide and enhance the second half of the program

3. Make recommendations on any corrective action deemed necessary to improve ATAR's on-going and planned activities.

VI. EVALUATION QUESTIONS:

The evaluation questions are presented in two sets. The first set pertain to purported achievements in preparation for WTO accession, the readiness of the ACD to initiate commercial customs fees payments, and changes in trade policies and practices between Afghanistan and its neighbors in Central and South Asia. The second set of questions concern the human and institutional capacity building efforts within the units that ATAR works with to the greatest extent.

- MOJ (Ministry of Justice Legislative (Taqnin) Department:
- MOCI(Ministry of Commerce and Industry): International Trade Directorate and it's Transit Department; EPAA
- MOF (Ministry of Finance): Afghanistan Customs Department (ACD)

WTO Accession, Customs & Trade:

a. Is the current status of the legislation for the laws required to join the WTO (particularly the Trade Related Intellectual Property Rights (TRIPS), Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade) consistent with the latest reports by the Implementing Partner about their current status?
b. To what extent has the technical assistance provided correctly targeted the necessary skills, appropriately delivered, to improve trade policy, transit, and trade capacity with Afghanistan's neighbors (Pakistan, India, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyz Republic, and Kazakhstan)?
c. To what extent was the technical assistance correctly sequenced and/or targeted to enable ministries to accept payment of customs fees from commercial traders and process release forms at commercial banks throughout the country?
d. Which aspects of ATAR's assistance have been most effective in expanding the participation of Afghan women, and, opening career options for these women at the counterpart ministries? As appropriate, identify those approaches that were both effective and the most accepted by ministry staff.

Human & Institutional Capacity Building:

a) How effective have been ATAR's efforts to improve the technical abilities of the staff it has worked with at the partner agencies to organize, negotiate, draft and implement the WTO related legislation, regulation, procedures for which they are responsible?

b) How effective has each component of ATAR's technical assistance to institutions been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of

implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.

c) How has ATAR incorporated gender considerations into its project implementation level and activities, particularly women's inclusion in male dominated organizations, capacity development and trade regulations reform platforms, affected the presence and influence of women? What are the obstacles? What activities are most effective?

VII. EVALUATION DESIGN AND METHODOLOGY:

The evaluation team will be responsible for developing an evaluation strategy and methodology that include a mix of qualitative and quantitative data collection and analysis approaches. The approach should be participatory in both the design and implementation. The selected approach should also assess the different aspects of the program and use the most appropriate evaluation tools to comprehensively answer the evaluation questions. Close coordination with USAID/Afghanistan (OEGI and OPPD) will be necessary to ensure that the evaluation team selects methods that are suitable for use in the conflict areas. Data sources may include document reviews and focus groups and key informant interviews with key GIRoA officials from MOCI, ACD, MAIL, MOPH, MOJ, ANSA, EPPA and the private sector in order to collection information. Where applicable, data collected for the evaluation questions should be disaggregated by sex and by location. Analysis of lessons learned, success and failures should be compared and contrasted across geographic areas. The proposed evaluation design and methodology will be critically evaluated against the 'purpose of the evaluation', most importantly in its ability to provide actionable guidance to USAID for current and future programming. The methodology will be presented as part of the draft work plan as outlined in the deliverables (Section XII) and included in the final report.

The OEGI Point-of-Contact for the team is the ATAR COR Bryan BByrne@state.gov; Amin Ahmadzai the Alternate COR aahmadzai@state.gov and Mohammad Safi msafi@state.gov the trade staff.

The suggested methodology should include a combination of, but is not limited to:

1. Desk/document review
2. Direct observations
3. Interviews and meetings with key informants
4. Focus group discussions
5. Program and beneficiary records
6. Program data collection forms
7. Review of program performance databases
8. Consultations with other donors (e. g. The World Bank, International Financial Corporation (IFC), UK Department For International Development (DFID), the Asian Development Bank (ADB), etc.)

While USAID/ Afghanistan anticipates that the evaluators will draw from the above illustrative list, the evaluators are expected to propose appropriate quantitative and qualitative methodologies necessary to address the provided questions.

VIII. EVALUATION TEAM COMPOSITION AND QUALIFICATION

The evaluation team shall include evaluation and technical specialists with relevant experience, particularly in trade facilitation, customs, capacity building and public-private alliances in a conflict/post-conflict country. It is recommended that the team include one expatriate and three Afghan professionals with strong interpersonal, technical and writing skills. Below are minimum qualifications for the team members:

- *Trade Facilitation Specialist (Expat).*

- *WTO Specialist (Expat).* The specialists shall possess at least a Master's degree in law, social sciences or a field related to trade organizations, and 7 years of applied evaluation experience in WTO related activities and reforms. The successful candidate is required to have highly developed interpersonal skills. Preference will be given to those with experience in India, Pakistan and Central Asia.

- *Customs, Trade Facilitation & Promotion Specialist (Afghan).* The Customs, Trade Facilitation and Promotion Specialist candidate shall possess a Bachelor's Degree in Economics or International Trade with at least 7 years of experience in technical assistance capacity building of relevant government officials around the region, or a Master's degree with 4 years of relevant experience.

- *Gender Analysis Specialist (Afghan).* Candidates for this position must be female and have a Bachelor's Degree in Social or International Trade with 6 years of relevant work experience, or a Master degree with 4 years of relevant work experience.

The mix and composition of the team may vary. The team lead may possess any of the technical skills. The Team Leader (TL) shall be an evaluation expert with at least 10 years of program evaluation experience preferably with USAID - or Asia Foundation, DFID or European Union funded trade support programs with strong leadership and report writing skills. The TL shall possess at least a Master's degree, PhD preferred, in economics, law, public administration, international development, social science, or a related discipline. The TL should be able to write a high quality, standard, accurate and concise report in English.

IX. EVALUATION SCHEDULE

The estimated time period for undertaking this Evaluation is 50 days, of which at least 37 days should be spent by the two expats (Trade Facilitation Specialist & WTO Specialist) in Afghanistan. The expat team members should arrive in Kabul no later than June 15, 2015. *This schedule and LOE assumes that Option Year 3 of SUPPORT-II will be exercised by USAID and work will be authorized past July 4, 2015.*

The evaluation team is authorized to work six days a week (regular work days in Afghanistan are from Sunday through Thursday). Members of the team will be required to evaluate ATAR's activities in locations outside of Kabul, including Torkham, Mazar-e-Sharif and Herat.

Illustrative Level of Effort (LOE) in days for STTA Team:

Activity	**LOE for Expat Team Lead**	**LOE for Expat WTO Specialist**	**LOE for Afghan Specialist Customs, Trade Facilitation & Promotion**	**Total LOE in Days**
Document review, begin preparation on work plan, draft questions, data analysis plan, suggested list of interviewees	1	1		2
Travel to and from Afghanistan	4	4		8
In-briefing with USAID	1	1	1	3
Draft work plan	3	3	2	7
Kabul based interviews (including interviews with ministry partners and traders)	12	12	12	36
Field Interview (in Torkham, Mazar-e-Sharif and Herat)	12	12	16	40
Mid-point briefing	1	1	1	3
Data analysis, preliminary report and presentation to USAID	8	8	5	21
Final report	8	8	1	17
Totals	**50**	**50**	**38**	**138**

Position	**Remote prep**	**Travel to/from Kabul**	**In-Country**	**Finalization of Report**	**Total**
Expat Team Leader	1	4	37	8	50
Expat WTO Specialist	1	4	37	8	50
Afghan Customs, Trade & Promotion Specialist			36	2	38
SUPPORT-II Afghan Gender Specialist*					
Totals	**2**	**8**	**110**	**18**	**138**

*Note: One prep day for each expat is sufficient, not required of Afghan STTA. Field travel will require 16 days LOE per STTA and the Afghans will be required to travel to Torkham without the expats. **The SUPPORT-II Gender Specialist's LOE is not included in this activity budget as the position is LTTA.**

X. MATERIALS

Illustrative List of Documents for Pre-Field Review:

1) ATAR Contract
2) ATAR Statement of Work
3) ATAR Work plan(s) and M&E plan
4) ATAR Performance Management Plan(s)
5) ATAR Monthly and Quarterly Reports, and annual report "if any"
6) ATAR Fact Sheet
7) USAID 3-Year Strategy
8) USAID 10-Year Strategy
9) Other documents as requested and deemed necessary
10) ACD Five years Strategic Plan
11) ANDS, the section of Regional cooperation

XI. MANAGEMENT

Checchi will identify and hire the evaluation team, assist in facilitating the work plan, and arrange meetings with key stakeholders identified prior to the initiation of field work. The evaluation team will organize other meetings as identified during the course of the evaluation in consultation with the SUPPORT II project and USAID/Afghanistan.

Checchi/SUPPORT-II is also responsible for arranging accommodation, security, office space, computers, internet access, printing, communication, and transportation for the evaluation team to the program sites.

The Evaluation Team will officially report directly to Checchi SUPPORT II management. Checchi/SUPPORT-II is responsible for all direct coordination with USAID/Afghanistan/OPPD, through the SUPPORT II COR Daryl Martyris (dmartyris@state.gov). From a technical management perspective, the evaluation team will work closely with Bryan Byrne (bbyrne@state.gov) the COR for ATAR and Amin Ahmadzai (aahmadzai@state.gov) the Alternate COR for ATAR and Charmaine Matovu: CVMatovu@state.gov, OPPD M&E. In order to maintain objectivity, OPPD's Monitoring and Evaluation Unit will make all final decisions about the evaluation.

XII. DELIVERABLES AND REPORTING REQUIREMENTS

1. **In-briefing** with USAID/OEGI. **Within two days of arriving in Afghanistan**, the Evaluation Team shall attend a kickoff meeting at USAID to discuss the SOW, clarify any questions and prepare the team to create a work plan. This meeting will allow for discussion

of background documents, and a suggested interview/contact list. If necessary following the meeting, the SOW can be adjusted, with USAID approval.

2. **Evaluation Work Plan:** within **five days** of the in-briefing, the team shall submit to USAID/OEGI and OPPD (M&E) a detailed Draft Work Plan for conducting this Mid-Term Performance Evaluation. The draft work plan shall detail the evaluation methodology, incorporate any proposed modifications to this statement of work, and elaborate the customized survey and evaluation tools to be used by the team. Additionally, a draft schedule of proposed visits to Ministries key officials, traders and training sites should be included. Within five business days of receipt of the draft work plan, USAID will provide comments to SUPPORT II. Within two business days of receipt of comments, the team will resubmit the revised work plan to USAID. Once USAID approves the work plan (a revised version of the draft based on USAID comments), it will be formally considered part of this Third Party Evaluation Statement of Work, and will guide the continued implementation of this evaluation.

3. **Mid-term Briefing and Interim Meetings:** The evaluation team is expected to hold a mid-term briefing with USAID on the status of the assessment including potential challenges and emerging opportunities. The team will also provide periodic briefings and feedback on the team's findings, as agreed upon during the in-briefing. These will include:

    a) **Weekly Fieldwork Briefings** to USAID (30-60 min. each): As requested by USAID, the team will be available for a weekly briefing on progress and constraints during this evaluation effort, at a time to be determined between USAID and the Evaluation Team Leader. This may be in person or by telephone

4. **PowerPoint and Final Exit Presentation:** The evaluation team is expected to hold a final exit presentation to discuss the summary of findings and recommendations to USAID. This presentation will be scheduled as agreed upon during the in-briefing. Presentation slides should not exceed 18 slides in total.

5. **Draft Evaluation Report**: A draft report will be submitted prior to or within 48 hours of the exit briefing. The draft evaluation report should be consistent with the guidance provided in Section XIII: "Final Report Format." The report will address each of the issues and questions identified in the SOW and any other factors the team considers to have a bearing on the objectives of the evaluation. Any such factors can be included in the report only after consultation with USAID. **The submission date** for the draft evaluation report will be decided upon during the mid-term or exit briefing and submitted to OPPD's M&E unit by Checchi. Once the initial draft evaluation report is submitted, the following deadlines should be followed:

    a. OEGI will have **10 working days** in which to review and comment on the initial draft, after which point USAID/OPPD's M&E unit will have **5 working days** to review and consolidate all USAID comments (total of **15 working days**). OPPD will submit the consolidated comments to Checchi.
    b. The evaluation team will then have **5 working days** to make appropriate edits and revisions to the draft and re-submit the revised final draft report to USAID.
    c. OEGI and the M&E unit will have **10 working days** after the submission of the second revised draft to again review and send any final comments.

6. **Final Evaluation Report**: The evaluation team will be asked to take no more than 3 days to respond/incorporate the final comments from OEGI and OPPD. The Evaluation Team

Leader will then submit the final report to OPPD. All project data and records will be submitted in full and should be in electronic form in easily readable format; organized and documented for use by those not fully familiar with the project or evaluation; and owned by USAID.

7. **Capacity Building of Afghan Evaluation Team Members:** The evaluation team will report to Checchi on how the capacity of local evaluation team members was built during this evaluation. Checchi will then consolidate this information together with capacity building from other evaluations and submit in the quarterly and annual reports to USAID.

XIII. Final Report Format

The evaluation final report should not exceed 35 pages in length, not including annexes. It should be written in English, using Times New Roman 12 point font, 1.15 line spacing, and be consistent with USAID branding policy. The report should be structured as follows:

- Title Page
- Table of Contents (including table of figures and table of charts if needed)
- List of any acronyms,
- Acknowledgements or Preface (optional)
- Executive Summary (3-5 pages)
- Introduction
    a. A description of the project that was evaluated including goal and expected results.
    b. Brief statement of the purpose of the evaluation including a list of the evaluation questions.
    c. Description of the methods used in the evaluation (such as desk/document review, interviews, site visits, surveys, etc.), the rationale and location for field visits (if any), and a description of the numbers and types of respondents
    d. Limitations to the evaluation, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.)
- Findings
    a) Describe findings, focusing on each of the evaluation questions and providing **gender and geographic disaggregation** where appropriate
    b) Evaluation findings should be presented as analyzed facts, evidence, and data and not based on anecdotes, hearsay, or the compilation of people's opinions
- Conclusions – This section should include value statements, supported by evidence that will address:
    a. Whether the program is on track to attain its stated goals and objectives.
    b. Highlight the strengths and weaknesses of implementation.
    c. Other conclusions as identified by the evaluation team.
- Recommendations – This section will include:
    a. Actionable practical and specific statements to improve the overall performance of the program. They should also apply to the design and performance of future programming. Suggestions for mid-course adjustments/corrections and changes to improve performance. Actions or decisions to be taken by management.
    b. Each recommendation should be supported by a specific set of findings

c. Include recommended future objectives and types of activities based on **lessons learned**

XIV. Annexes:

a) Evaluation Scope of Work
b) Methodology description (include any pertinent details not captured in the report)
c) Copies of all survey instruments and questionnaires
d) List of critical and key documents reviewed
e) Schedule of meetings and sources of information (If confidentiality is a concern, the team should discuss and agree upon an approach with USAID)
f) Notes from key interviews, focus group discussions and other meetings
g) Documentation of any changes to the SOW or evaluation process
h) Meeting notes of all key interviews
i) One page briefer of findings, recommendations and lessons learned (optional)
j) Statement of differences (if applicable)

XV. REPORTING GUIDELINES

- The evaluation report should represent a thoughtful, well-researched and well-organized effort to objectively evaluate the validity of the project's hypothesis and the effectiveness of the project.
- Evaluation reports shall address all evaluation questions included in the statement of work.
- The evaluation report will be written in highly professional English, free of colloquial language, grammatical and typographical error, and with professional formatting.
- The evaluation report should include the statement of work as an annex. Any modifications to the statement of work, whether in technical requirements, evaluation questions, evaluation team composition, methodology, or timeline need to be agreed upon in writing by the SUPPORT II COR.
- Evaluation methodology shall be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists and discussion guides will be included in an Annex of the final report.
- Evaluation findings will assess how results affected men and women.
- Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings should be presented as analyzed facts, evidence, and data and should not be solely based on anecdotes, hearsay, or the compilation of people's opinions. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information need to be properly identified and listed in an annex. If confidentiality is a concern, the team should discuss and agree upon an approach with USAID.
- Recommendations need to be supported by a specific set of findings.
- Recommendations should be action-oriented, practical, and specific, with defined responsibility for the action.

ANNEX IV WORK PLAN

DRAFT WORK PLAN

MID-TERM PERFORMANCE EVALUATION
OF
AFGHANISTAN TRADE AND REVENUE (ATAR) PROJECT

Submitted on:

June 9, 2015

Evaluation Team:
Savitri Singh
Sarah Parkinson
Manizha Wafeq
Amid Ahmad

I. Introduction

ATAR is a four year project that began on November 7, 2013 and will end on November 6, 2017. It is designed to strengthen the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical Transition Period and continuing into the Transformation Decade.

ATAR consists of the following three components: Component 1: Trade Policy Liberalization; Component 2: Enhanced Access to Regional Markets; and Comoponent 3: Improved Customs Administration. The support activities and goals of each component are detailed below.

The purpose of this Mid-Term Evaluation is to study and document the performance of the project, determine the effectiveness of ATAR work toward its stated goals and expected results, identify major lessons learned, and make recommendations for the improvement of project implementation in the coming years.

a. PROJECT BACKGROUND

ATAR is building on the success of two previous USAID/Afghanistan activities, TAFA and TAFA II. Through both projects, USAID supported capacity building at both individual and organizational levels.

A. ATAR's Development Hypothesis

The development hypothesis of ATAR draws from the original PAD which posits that sustainable growth and job creation in Afghanistan depend critically on a liberalized policy environment to enable diversified investment and trade and on the ability of the GIRoA to deliver services and maintain fiscal stability in the medium term. In turn, these requirements depend on two major assumptions. The most important one is continued GIRoA political will to pursue change in policy and governance, such as tackling the massive corruption problem through a combination of enforcement and reduction of the institutional space for graft. The GIRoA has made important commitments to reform under the Tokyo Mutual Accountability Framework and in its National Priority Programs. The second major assumption is that the security situation will allow the private sector to take advantage of a liberalized trade and investment regime and better service delivery by investing and creating jobs.

Key inputs for the ATAR project will include technical assistance, training, study tours, and also provide limited commodities that are necessary to sustain and implement reforms in trade policy, promotion and customs agencies. These targeted inputs, based on international best practice and standards, will result in outputs that are both tangible and results oriented. Moreover, study tours and the procurement of IT equipment for GIRoA will result in the completion of policy studies and trade-impact assessments by GIRoA officials, streamlined

mechanisms for customer service provision on trade-related questions and issues from the private sector, and the institutionalization of automation in customs procedures. These outputs, among others detailed in the logical framework will lead to the achievement of the project purpose of an Afghan-led liberalized trade policy, including the adoption of a WTO-compliant trade regime, strengthened regional trade and access to markets for Afghan exporters, and the resulting economic growth and jobs creation pursued by the Afghanistan National Development Strategy.

B. ATAR's Theory of Change

The theory of change underlying ATAR "holds that with continued provision of technical assistance to GIRoA related to promoting the necessary policy reforms and capacity strengthening, the resulting better business enabling environment will lead to higher private sector investment, and increase regional trade, economic growth, job creation, and potential for higher domestic revenues."

C. Implementation

Consistent with and in implementing ATAR's *Development Hypothesis* and *Theory of Change*, the technical support and goals of ATAR's three components are as follows:

Component 1*: Support Trade Policy Liberalization*

The goal of Component One is to help Afghanistan take full advantage of WTO membership. Under this component, ATAR supports the liberalization of Afghanistan's trade regime by supporting its accession to the WTO. It is also helping improve the Government of the Islamic Republic of Afghanistan's (GIRoA) ability to formulate a strong, well-coordinated trade and tariff policy that contributes to improved trade policies, laws, and regulations. ATAR supports efforts made by the Ministry of Commerce and Industry (MoCI) and the Ministry of Finance (MoF) to coordinate and strengthen trade-related policy and help reduce the many technical and tariff barriers obstructing both exporters and importers. ATAR works closely with the Trade Policy Analysis Unit (TPAU), the Export Promotion Agency of Afghanistan (EPAA), and the Afghanistan National Standards Authority (ANSA).

Component 2: *Facilitate Access to Regional Markets*

ATAR facilitates the development and implementation of regional trade in four ways. First, it brokers trade and transit agreements. Second, it is assisting GIRoA implement regional trade agreements and reforms. Third, it supports the implementation of the Central Asia Regional Economic Cooperation (CAREC), Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) and South Asian Free Trade Area (SAFTA) Corridors 5 & 6 by working with countries in the region such as Uzbekistan, Tajikistan, the Kyrgyz Republic, Turkmenistan, Pakistan, and India. Fourth, it fosters trade promotion and public-private dialogue.

Component 3: *Improved Customs And Tax Administration*

Component Three is dedicated to capacity building, which modernizes, streamlines, and harmonizes customs policies, codes, procedures, and practices. Some of these include Border Management Model (BMM), Risk Management (RM), customs codes, Electronic Data Interchange, Customs Duty Collection Systems, enforcement, and analysis. ATAR has been working in the Afghanistan Customs Department (ACD) and with the Afghanistan National Customs Academy (ANCA) in particular. Also ATAR transferred $ 4 Million to DFID to support VAT efforts in ACD.

1.2 EVALUATION FOCUS

The evaluation will analyze the extent to which the USAID resources have been deployed to maximum effect in each of the component areas where ATAR is providing technical assistance. The evaluation will examine the effectiveness, efficiency and sustainability of ATAR's interventions in each component area and, to the extent possible, will clearly and concisely outline relevant findings with respect to:

4. Creation of work teams, organizations, and procedures for and accession to the WTO;
5. Technical assistance to the principal partners at the MOCI (ANSA, TPAU and EPAA),
6. Creation of a cadre of capable staff at the MOJ Legislative (Taqnin) Department, and MOF (ACD) who can implement and carry out reforms, particularly the ability to utilize software systems that automate payment systems and cargo acquittal;
7. Capacity building of GIRoA officials; and
8. Linkages between businesses and associations in the private sector throughout South and Central Asia through its Business to Business (B2B) events (forums, expos, workshops etc.).

The evaluation will identify any lessons learned on program design and implementation that can guide and enhance the second half of the program. The report will conclude by making recommendations on any realistic corrective action deemed necessary to improve ATAR's on-going and planned activities to achieve its stated goals.

II. Methodology

This evaluation will be anchored with a desk review of documents and literature, interviews with the relevant public sector stakeholders and beneficiaries, both direct and indirect, and observations, to the extent available. The data used will be primarily qualitative.

2.1 COLLECTION OF QUANTITATIVE AND QUALITATIVE DATA

#	Method	Data	Sources
a.	Document Review	ATAR'S • Statement of Work; • Work plan(s); • M&E plan; • Monthly, Quarterly and Annual Reports; and • Fact Sheet; • USAID 3-Year Strategy, USAID 10-Year Strategy, • ACD Five years Strategic Plan; • ANDS, the section of Regional cooperation; • Available relevant statistics, literature; • Project collected data including pre and post training data, questionnaires, surveys, *etc*. • Legislation	Reports to USAID USAID documents Project records (to the extent available) Government publications – whether on line or from the relevant ministries. Legislation – if available from the MoJ.
b.	In-depth interviews with key informants/stakeholders	Notes and transcripts	Key informants/ stakeholders
c.	Literature and Data Review	▪ National statistics of trade volume, volume customs clearance, and revenue collection, foreign direct investment.	Government, donors, World Bank Reports, databases.
d.	Focus group discussions	▪ Notes and transcripts	Direct and indirect beneficiaries of ATAR's events and trainings, stakeholders.
e.	Observation	▪ Observations and notes	ATAR's training, expositions and other activities, if possible.

2.2 EVALUATION QUESTIONS

Based on the in-briefing on June 4, 2015, it was agreed that SoW Question a) under Human and Institutional Capacity Building would be merged under Evaluation Question a), Heading WTO Accession, Customs and Trade. For ease and flow of the Report, the Evaluation questions have been restructured to fully merge WTO Accession, Customs and Trade with

Human and Institutional Capacity Building under the Heading **Evaluation Questions** which are numbered as follows.

1. Is the current status of the legislation for the laws required to join the WTO (particularly the Trade Related Intellectual Property Rights (TRIPS), Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade) consistent with the latest reports by the Implementing Partner about their current status?
2. How effective have been ATAR's efforts to improve the technical abilities of the staff it has worked with at the partner agencies to organize, negotiate, draft and implement the WTO related legislation, regulation, procedures for which they are responsible?
3. To what extent has the technical assistance provided correctly targeted the necessary skills, appropriately delivered, to improve trade policy, transit, and trade capacity with Afghanistan's neighbors (Pakistan, India, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyz Republic, and Kazakhstan)?
4. To what extent was the technical assistance correctly sequenced and/or targeted to enable ministries to accept payment of customs fees from commercial traders and process release forms at commercial banks throughout the country?
5. Which aspects of ATAR's assistance have been most effective in expanding the participation of Afghan women, and, opening career options for these women at the counterpart ministries? As appropriate, identify those approaches that were both effective and the most accepted by ministry staff.
6. How effective has each component of ATAR's technical assistance to institutions been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.

#	EVALUATION QUESTIONS	METHODS								
		DR	DO	PBR	PDF	IP	KPI	ID	KI	FG
1.	Is the current status of the legislation for the laws required to join the WTO (particularly TRIPS, SPS and Technical Barriers to Trade) consistent with the latest reports by the IP about their current status?	x	x	x		x			x	
2.	How effective have been ATAR's efforts to improve the technical abilities of the staff it has worked with at the partner agencies to organize, negotiate, draft and implement the WTO related legislation, regulation, procedures for which they are responsible?	x	x	x		x			x	
3.	To what extent has the technical assistance provided correctly targeted the necessary skills, appropriately delivered, to improve trade policy, transit, and trade capacity with Afghanistan's neighbors (Pakistan, India, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyz Republic, and Kazakhstan)?	x	x	x	x			x		
4.	To what extent was the technical assistance correctly sequenced and/or targeted to enable ministries to accept payment of customs fees from commercial traders and process release forms at commercial banks throughout the country?	x	x	x	x	x	x		x	x
5.	Which aspects of ATAR's assistance have been most effective in expanding the participation of Afghan women, and, opening career options for these women at the counterpart ministries? As appropriate, identify those approaches that were both effective and the most accepted by ministry staff.	x	x	x		x			x	
6.	How effective has each component of ATAR's technical assistance to institutions been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.	x	x	x	x	x		x	x	

2.3 METHODOLOGY KEY AND JUSTIFICATION

Key	Abbreviation	Key Function – Obtain Quantitative and Qualitative data
DO	Direct observation.	Firsthand information observing trainings, workshops, activities, *etc.*
DR	Desk/document review.	Obtain background, findings, and performance results.
FG	Focus group discussions.	Private sector actors.
ID	Consultations with other donors (e. g. The World Bank Group Corporation (WBG) UK Department For International Development (DFID), Central Asia Regional Economic Cooperation, (CAREC), the Asian Development Bank (ADB), South Asian Free Trade Area (SAFTA) etc., to the extent available.	Representatives and regional bodies who work with or have the opportunity to observe impact of ATAR's technical assistance and/or training. Assess impact of ATAR's technical assistance to the GIROA on regional integration.
IP	Implementing Partner Representatives.	
KI	Interviews and meetings with key informants	Recipients of training & technical assistance within relevant government institutions.
KPI	Interviews with private sector beneficiaries, stakeholders, business community, traders, participants in ATAR's events and activities, and Chamber of Commerce, if available.	Private sector representatives who work with or have the opportunity to observe those who have received training and/or who might be impacted by reforms or government actions resulting from ATAR's technical assistance.
PBR	Program and beneficiary records.	Results/impact of ATAR's activities.
PDF	Program data collection forms, including pre- and post- training data.	Results/impact of ATAR's activities.

Key Actors and Relevance

#	Actor	Relevance
1	Chemonics	Implementing Partner for ATAR.
2	USAID/OEGI Trade Team	Funder
3	Afghanistan National Standard Authority ((ANSA) - Ministry of Commerce and Industry (MoCI))	Received support from ATAR.
4	Trade Policy Analysis Unit (TPAU) -(MoCI)	Received support from ATAR.
5	Export Promotion Agency of Afghanistan (EPAA -MoCI)	Recipient of training/capacity building, especially with respect to representing the country in expos.
6	Ministry of Justice (MoJ) Legislative (Taqnin) Department	Customs reforms, WTO accession reforms.
7	Afghan Customs Department (ACD, - Ministry of Finance (MoF))	Customs: has received a variety of support.
8	Businesses and associations in the private sector	Especially attendees of B2B events, recipients of any additional training (through ATAR/Chemonics records), also as observers of the ministries and linkage to the business/investment/trading sector.
9	Afghan Chamber of Commerce and Industry (ACCI)	Key linkage with trader/business private sector.
10	Afghan Border Police (ABP)	Received support from ATAR to implement Border Management Model in formal partnership with ACD.
	Participants in internship program at ACD	This included 'several women'.
11	Central Statistics Organization (CSO)	Is now sharing data related to trade and exports with the EPAA and ACD, reducing data discrepancies...reportedly as a result of ATAR's interventions.
12	GiRoA members of the WTO Working Party	WTO Accession preparation.
13	MoCI: International Trade Directorate and Transit Department	Works on Regional Trade/Transit Agreements.
14	MoCI: Deputy Minister Office	Recipient of ATAR support.
15	Afghanistan Central Business Registry	Recipient of ATAR support.
16	DfID, ADB, CAREC	Donors to Afghanistan that support trade and transport programs. Also, ATAR transferred $4 million to DGID to support VAT at ACD.
17	MAIL (Ministry of Agriculture Irrigation and livestock): Policy and Planning Department, Animal Health and Veterinary Services Department and Plant Protection Quarantine Department	WTO Accession preparation.
18	Afghanistan National Customs Academy (ANCA)	Provides training for customs officers.
20	MoPH (Ministry of Public Health):Pharmacy Department, and Agriculture and Pharmacy Faculties	WTO Accession preparation.
21	Afghanistan National Standard Authority (ANSA)	WTO Accession preparation.

Limitations

This methodology relies on the availability of documents, including program and beneficiary records, data collection forms and the availability of appropriate interviewees. Given the government transition and attrition in Afghanistan, it is uncertain if the direct recipients/beneficiaries of the ATAR's efforts will be available for interviews. Also, in light of the fact that ATAR has a regional reach in Component 2, *Facilitate Enhanced Access to Regional Markets,* it is uncertain whether the evaluation team will be able to interview Afghanistan's regional counterpart beneficiaries to assess the effectiveness of ATAR's technical assistance on skills for enhancing regional trade and transit. Attempts will be made to reach both groups within the evaluation time period.

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Deliverables and Activity Schedule

Deliverables	Date Due
In-briefing / SOW Presentation	Thursday 4 June
Draft Work Plan to USAID	Tuesday 9 June
Final/USAID-approved SOW/Work plan	Thursday 11 June
Interim briefing on evaluation and sustainability analysis	Tuesday 14 July
Final Briefing	Thursday 30 July
Draft of report submitted	Sunday 8 August
Comments back from USAID	Tuesday 18 August
Final revised report	Sunday 23 August

3.1 Timeline

Weeks	
W1 June 1– June 4	Inbriefing with USAID
W2 Jun 21-25	TL arrival and initial team meeting. Team deploy for initial interviews with key informants and stakeholders.
W3 June 27-July 2	Continue interviews key informants and stakeholders.
W4 July 4-9	Continue interviews key informants and stakeholders; focus group discussions
W5 July 11-16	Continue interviews key informants and stakeholders; focus group discussions. Tue 14 July Interim USAID briefing.
W6 July 18-July 23	Analysis of interview and survey data. Preparation of key findings.
W7 July 25- 30	Continue preparation of key findings. Presentation of key findings and prepare draft report and internal distribution for team comments. Thur July 30, Final USAID briefing.
W8 August 1- 6	Conclude draft report. Draft Report submitted to USAID.

3.2 Annexes:

a) Evaluation Scope of Work
b) Methodology description (include any pertinent details not captured in the report)
c) Copies of all survey instruments and questionnaires
d) List of critical and key documents reviewed
e) Schedule of meetings and sources of information (If confidentiality is a concern, the team should discuss and agree upon an approach with USAID)
f) Notes from key interviews, focus group discussions and other meetings
g) Documentation of any changes to the SOW or evaluation process
h) Meeting notes of all key interviews
i) One page briefer of findings, recommendations and lessons learned (optional)
j) Statement of differences (if applicable)

2. REPRESENTATIVE LIST OF TENTATIVE INTERVIEW QUESTIONS (QUESTIONS TO BE FURTHER REVISED AND REFINED)

Component 1: Trade Liberalization *(Target-Government staff, officials across Ministries/Department working on WTO accession)*

What is the current status of the following legislation: the Trade Related Intellectual Property Rights (TRIPS), Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade? To what extent did ATAR provide technical assistance in drafting this legislation?

Did ATAR provide technical assistance in creating work teams and working groups, organizations, and procedures to facilitate accession to the WTO? How effective have been these working groups and procedures in facilitating Afghanistan's accession to the WTO?

How effective has this component of ATAR's technical assistance to institutions been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.

Are your WTO activities on target with the Legislative Action Plan? Can the relevant staff independently track and update the Legislative Action Plan? Can you provide a copy of your WTO legislative tracking chart?

How has ATAR's technical assistance helped in negotiating bilateral market access negotiations on services and goods?

How effective have been ATAR's efforts to improve the technical abilities of the staff it has worked with at the partner agencies to organize, negotiate, draft and implement the WTO related legislation, regulation, procedures for which they are responsible?

Did the capacity building ATAR provided result in a cadre of capable Ministry staff that can independently move the WTO process forward? In other words, to what extent would the staff need technical assistance in drafting legislation? Negotiating agreements? Managing the passage of legislation?

Have the technical assistance and capacity building ATAR provided to staff and GIRoA sufficiently prepared staff for post-WTO accession? In other words, would staff be able to draft independently implementing regulations as well as comply with its WTO obligations?

If yes, how is this capacity building sustained? In other words, is there a system in place to ensure continued staff capability following attrition? If yes, please explain

Do you see areas of improvement where ATAR can more effectively prepare staff and GIRoA officials for its upcoming 5th WTO Working Party Meeting?

Where relevant, how likely does it appear that changes made as a result of this component of ATAR's technical assistance will be sustained or built on?

Is your Department/office satisfied with the level of technical assistance ATAR provided?

On a scale of 1-5 (1 being the lowest), how efficiently did ATAR provide its technical assistance?
On a scale of 1-5 (1 being the lowest), how effectively did ATAR provide its technical assistance?

On a scale of 1-5 (1 being the lowest), how prepared are staff to draft laws, negotiate agreements with partners, and implement WTO obligations independently?

Is ATAR's technical assistance key in assisting Afghanistan move forward towards its WTO accession process?

Do you see areas of improvement for ATAR to provide more effective and or efficient technical assistance? If yes, please explain.

What issues are hindering Afghanistan's accession to the WTO? Has ATAR been effective in resolving some of these hindrances?

Are there areas where the efficiency of resource use could be improved, or conversely, priority areas, which appear under resourced?

Trade Policy Analysis Unit (TAPU)

ATAR provided lectures on economic theory, trade policy and economic development to your unit. Does the staff have a sounder understanding of these matters now to the extent that they can formulate trade policy?

Has ATAR provided technical assistance in reviewing tariff policy and sensitive list products? If so, to what extent does the staff need further capacity building or technical assistance to formulate tariff policy?

Are there areas where the efficiency of resource use could be improved, or conversely, priority areas, which appear under resourced?

Afghanistan National Standards Authority (ANSA)

What aspect of your Certification Unit is currently functioning to certify products?

Did ATAR provide technical assistance in setting up the Unit, adopting guidelines and standards? If so, how effective was this technical assistance? Were resources efficiently used/directed?

Did ATAR provide capacity training to staff to the extent that staff can sustain the functioning of the Unit?

How many international standards has ANSA adopted and what to what extend did ATAR provide technical assistance and capacity building?

Please describe ANSA's Standards and Information Center.

How effective was ATAR's technical assistance in establishing this Center?

How will this Center be sustained? How much technical support does ANSA need to continue its work? To sustain this Center?

Are there areas where the efficiency of resource use could be improved, or conversely, priority areas, which appear under resourced?

Component 2: Facilitate Enhanced Access to Regional Markets *(Target-MoCI, agencies/department*, MOTCA, MoFA, CAREC, Public Sector, ACCI, EPAA and other relevant entities (chart will be made as to which office the questions will be directed)

To what extent has the technical assistance ATAR provided correctly targeted the necessary skills, appropriately delivered, to improve trade policy, transit, and trade capacity with Afghanistan's neighbors (Pakistan, India, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyz Republic, and Kazakhstan)?

How effective has this component of ATAR's technical assistance to institutions been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.

Did ATAR provide support in the re-approval of the Cross-Border Transport Agreement? If so, how effective was this support in facilitating the re-approval?

How effective or efficient has been ATAR's technical assistance in developing trade and tariff policy for SAFTA?

How effective or efficient has been ATAR's technical assistance in implementing the APTTA and providing capacity building for APTTCA participation?

Is the capacity building ATAR provided to the staff sufficient to sustain activities towards improving trade policy, transit, and trade capacity with Afghanistan's neighbors? If yes,

please explain or provide examples. If no, please identify areas where technical assistance is needed/desired.

Did ATAR's technical assistance prepare you for negotiating the trilateral transit trade agreement with Tajikistan and Pakistan? Other transit and trade agreements?

Is your Department/office satisfied with the level of technical assistance ATAR is providing? If no, please explain areas for improvement.

Have the activities - Business to Business (B2B) events (forums, expos, workshops *etc*., and technical assistance this component provided created linkages between businesses and associations in the private sector throughout South and Central Asia? If so, were these linkages effective? Did they lead to any tangible results? If yes, please explain. If no, please describe how this can be improved.

Were you satisfied with the business and private/public sector representation at these activities?

What activities do you see as most effective or key in enhancing access to regional markets?

To what extent has ATAR provided technical to promote exports? What activities were most effective in promoting exports? Were resources efficiently used?

On a scale of 1-5 (1 being the lowest), how efficiently did ATAR provide its technical assistance?
On a scale of 1-5 (1 being the lowest), how effectively did ATAR provide its technical assistance?

Are there areas where the efficiency of resource use could be improved, or conversely, priority areas, which appear under resourced?

Donors, Regional Organizations

How much interaction have you had with ATAR and their regional activities?

What are your impressions or observations regarding the project?

Do ATAR's activities overlap with any of your activities?

Do you seek advice/collaboration from ATAR on regional issues?

Do you see ATAR as complimentary to your organization?

Have you observed any of ATAR's activities in assisting Afghanistan develop and expand regional trade? If so, what are your impressions of those efforts?

Component 3 Improved Customs Administration: (*Target*-ACD, ACCI, private sector)

To what extent was the technical assistance correctly sequenced and/or targeted to enable ministries to accept payment of customs fees from commercial traders and process release forms at commercial banks throughout the country?

How effective has this component of ATAR's technical assistance to institutions been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.

What is the status of the Electronic Data Interchange (EDI) implementation with Pakistan? With other regional countries?

To what extent has ATAR provided technical assistance and capacity training for developing and implementing a risk management system?

To what extend has ATAR provided technical assistance in ASYCUDA training?

Are customs staff trained and have the capacity to sustain assessing customs valuation and risk management?

To what extent has ATAR provided assistance with refining the customs code?
Has ATAR provided capacity training to customs staff on developing policy and skills in implementing the customs code?

To what extent has ATAR provided technical assistance for E-Pay of customs fees/debt?
Capacity development to staff for E-Pay?

What challenges do you see in E-Pay and what steps do you think are required to overcome those challenges? In what way could ATAR provide further assistance in rolling out E-Pay?

To what extent has ATAR provided technical assistance to ACD on implementing a one-stop concept for the border crossing points? For border clearance procedures? How effective was this technical assistance?

Is there a cadre of trained staff that can continue to manage independently EDI, ASYCUDA, E-Pay software and other customs software?

To what extent has ATAR provided technical assistance and capacity building to the Afghan National Customs Academy (ANCA)? Has this resulted in a cadre of well-trained customs

officers? If yes, please explain. If no, please explain areas of improvement.

Is ACD issuing advance rulings? Has ATAR provided technical assistance on issuing advance rulings? If so, how effective and efficient has ATAR provided this technical assistance and capacity building? Are staff independently preparing advance rulings?

Central Statistics Office (CSO)

CSO and the Afghan Customs Department signed an MoU for ACD to provide export data on a monthly basis. Is this working as planned?

What effect has receiving this information made to CSO's statistics and improving discrepancies between CSO and ACD data?

ATAR provided equipment to handle the ACD data. Is the equipment being used and is it adequate for CSO's needs?

What impact, if any, has receiving this data on a monthly basis had on trade policy?

Are there areas where the efficiency of resource use could be improved, or conversely, priority areas, which appear under resourced?

CROSS-CUTTING GENDER: (*Target*-Ministries, trainings, activities and events)

How has ATAR facilitated increasing the number of women in your institution? In key roles?

Which aspects of ATAR's assistance have been most effective in expanding the participation of Afghan women and opening career options for women at your ministry and counterpart ministries?

What do you see as the biggest challenges/hindrances in expanding the participation of Afghan women and opening career options for women at the counterpart ministries?

As appropriate, please identify those approaches that were both effective and the most accepted by ministry staff.

As appropriate, please identify means that can best overcome challenges/hindrances to career options for women at your ministry and counterpart ministries.

ANNEX V BIBLIOGRAPHY OF DOCUMENTS REVIEWED

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ANNEX VI SCHEDULE OF MEETINGS

No.	Date	Organization	Name	Title	Phone	Email
1	22-Jun-15	ATAR	Abdul Safir Sahar	Deputy Chief of Party	795846213	safirsahar@gmail.com
2	22-Jun-15	ATAR	Francois-Jude Pepin	Chief of Party	794152509	fpepin@atar-af.com
3	22-Jun-15	ATAR	Rawajuddin Dakhunda	M&E Director	700065581	Rawaj1dakhunda@gmail.com
4	24-Jun-15	ATAR	Heela Barakzai	Gender Specialist	785441293	hbarakzai@atar-af.com
5	27-Jun-15	MoJ	Abdul Majeed Ghanizada	General Director of Legislation	700231087	Ghanizada.moj.gov.af@gmail.com
6	27-Jun-15	MoJ	Aqila	Member of Legislation	780583795	N/A
7	27-Jun-15	MoJ	Ayamuddin Khan Sader	Director	700226192	asader@moj.gov.af
8	28-Jun-15	ACCI	Abdul Qadir Bahman	Deputy to Chief Executive Officer	776856824	Qadir.bahman@acci.org.af
9	28-Jun-15	ACCI	Atiqullah Nusrat	Chief Executive Officer (CEO)	796652222	Atiqullah.nusrat@acci.org.af
10	28-Jun-15	ACCI	Mohammad Qasim Nasiri	International Relation Director	788889182	Ir.director@acci.org.af
11	28-Jun-15	ACD	Gul Pach (Pacha)	General Director Customs, Technical Affairs	703111888	Gul.pacha@gmail.com
12	28-Jun-15	ACD	Khaliqullah	Director	799441000	Khaliq_afg@hotmail.com
13	28-Jun-15	ACD	Roohullah Aslami	Director of Enforcement	700006464	Roohullah-aslami@yahoo.com
14	28-Jun-15	ACD	Sultan Aziz	Intelligence and Risk Management Director	799315721	
15	29-Jun-15	ACD	Najibullah Wardak	Director General of Customs	799406065	dr_najib2007@yahoo.com
16	29-Jun-15	EPAA	Yama Satarzai		93700627784	y.satarzai@epaa.org.af
17	29-Jun-15	Harakat	Naseem Akbar	CEO	93799336526	Naseem.akbar@harakat.af
18	30-Jun-15	FGD with Business Women	Saleha	President of Precious Stones Jewelry	782382821	Saleha_ahmadzai@yahoo.com
19			Khadija	President of Nejat Trading Co.	794855169	Snk_khadjia@yahoo.com
20			Nazifa Jalali	Partner of Green of Valley of Afgh.	729201838	Nojaim.jalali@gmail.com
21			Freshta	Baghlan Sufra Handicraft Co.	783279785	safaribaghlancompany@gmail.com
22			Maryam Yousofi	President of Maryam Handicraft Co.	771142729	Mariam.yousofi@hotmail.com
23			Nilofar	La'al Badakhshan Jewelry	790653141	badakhshanlal@yahoo.com
24			Fauzia Hashimi	Refah Zana Handicraft and Carpet	791913434	fawziahashemi@gmail.com

25			BibiShirin	Sisters Handicraft	700847940	Bibisheren.akbari@yahoo.com
26			Najiba Rezai	Zeenat Handicraft and Jewelry	791877150	
27			Zohra Hussaini	Zohra Hussaini Handicraft	799471843	Zohra_hussini@yahoo.com
28			Zohra Qubadi	Zohra Jena Co.	788025153	zohraqobadiy@yahoo.com
29	30-Jun-15	MoCI	Muhammad Rahim Momand	DG International Trade	795400191	Iam_rahim@yahoo.com
30	30-Jun-15	MoCI	Mozammil Shinwari	Deputy Minister	700774501	Shinwari000@yahoo.com
31	1-Jul-15	MoCI	Sayed Yahya Akhlaqi	Director of Transit and Trade Facilitation	93796300399	
32	1-Jul-15	USAID (Kazakhstan)	Amy Lovejoy	CAR Economic Development Officer		alovejoy@usaid.gov
33	1-Jul-15	USAID	Bryan Byrne	Private Enterprise Officer, Trade Team Leader, ATAR COR	93702-626-294	BByrne@state.gov
34	2-Jul-15	ATAR	Abdul Qadeer Rahmanzai	Regional Trade Facilitation Advisor	788687880	arahmanzai@atar-af.com
35	2-Jul-15	ATAR	Shams-Ul Qamar	Export Development Advisor	780735076	sqamar@atar-af.com
36	2-Jul-15	Herat Inland Customs Department	Abdul Saboor Ghoriani	Customs Specialist, ATAR embedded employee	799181342	sghoriani@atar-af.com
37	2-Jul-15	Herat Inland Customs Department	Ahmad Najeeb Baizayee	Herat Customs Director	705356666	baizayee@yahoo.com
38	2-Jul-15	Herat Inland Customs Department	Said Younas	Head of Entry Processing Unit	700403525	Said.sh52yh@yahoo.com
39	3-Jul-15	ATAR (Tajikistan)	Julie Leaf	Country Representative (Tajikistan)	988070412	jleaf@atar-af.com
40	4-Jul-15	ATAR	Nisar Ahmad Masoud	Regional Trade Advisor	0795400178	nmasoud@atar-af.com
41	4-Jul-15	ATAR	Sunirmal Ray	Regional Trade Integration Manager	0794501134	SRay@atar-af.com
42	4-Jul-15	CSO	Shir Mohammad Jamizada	President General	700281446	Shirmohammad_jamizada@yahoo.com
43	4-Jul-15	MoIC	Zakiullah Amiri	Head of Copyright	799305556	
44	4-Jul-15	MoPH	Kamela Sultani	Consultant, Food and Drug Quality Control Lab	793698094	ksultani@gmail.com
45	4-Jul-15	MoPH	Hamid Furmuly	Acting Director of Food and Drug Quality Control Lab	799332956	furmuly@hotmail.com

46	4-Jul-15	MAIL - Plant Protection and Quarantine Department at Badam Bagh	Eng. Abdul Wadood Ghorbandi	Director of Plant Protection and Quarantine	700500302	Ghorbandi411@yahoo.com
47	4-Jul-15	MAIL Plant Protection and Quarantine Department at Badam Bagh	Mohammad Iqbal Karimi	Plant Protection Change Management Specialist	780357291	Iqbl.karimi@mail.gov.af
48	5-Jul-15	CHAMP	Rod Carvajal	CoP	93799482388	Rod.Carvajal@rootsofpeace.org
49	6-Jul-15	FGD with businesses that participated in ATAR-sponsored exhibitions (hosted at EPAA)	Alisa Momand, president	Muska Company (Leather Exporter)	93700281927	
50			Mar Rajuddin, vp	Marjan Company (Gemstones)	93798500569	
51			Habdullah Faiz, VP	Negin Sang Co. (Fresh & dried fruit)	93796320063	
52			Postum Ali, VP	Shah Qadam Rug	93782485724	
53			Amad Seyah Amari	Afghan Numu Agri Business	93798515154	
54			Suma Raman Rahid	Khadmaq Mines Extraction Group	93786892007	
55			Ahmad Shuaib	Nesar Shoib Rug Co.	93777325214	
56	7-Jul-15	ATAR (Uzbekistan)	Nozim Kasimov	Regional Trade Specialist	998935477052	nkasimov@atar-af.com
57	7-Jul-15	ATAR (Kyrgyzstan)	Robert Olson	Country Representative for Kyrgyzstan	996771671733	rolson@atar-af.com
58	7-Jul-15	ATAR (Turkmenistan)	Serdar Agayev	Regional Trade Coordinator	99365689714	sagayev@atar-af.com
59	7-Jul-15	Jalalabad Inland Customs	Bashir Ahmad Pigham	Head of Entry processing Unite	777162274	bashirpigham@gmail.com
60	7-Jul-15	Jalalabad Inland Customs	Dr. Latif Hemat	Customs Specialist, ATAR embedded employee	799209853	ahemat@atar-af.com
61	7-Jul-15	Jalalabad Inland Customs	Ghulam Faroq Momand	Head of Systems	781601470	gf_momand@yahoo.com
62	8-Jul-15	FGD 1 with traders at ACCI	Sarajuddin Kamali		799304151	sarajuddinkamali@gmail.com
63			Mohd. Hussain	Kabul Carpet Manufacturer & Exporter Association	784429979	kabulcarpet@yahoo.com
64			Kazim	Qasimy Brothers Carpet Co.	787316191	Qbc1@live.com
65			Salim Kazemi	Niazi Carpet Trading Co.	788804269	Salemkazemi627@yahoo.com

66			Sharafzai	Khadmat Mining and stone trading	786892007	khadmatmine@gmail.com
67			M.Gul Rashid	President of Precious & Semi Pre. Stones Traders Association	779881400	Afghan.gemstone@yahoo.com
68	8-Jul-15	FGD 2 with traders at ACCI	Rasool Zazai	CEO, Zazai Mzamal Company	786009836	Zazai186@gmail.com
69			Naser Ahmad Nazimi	CEO, Fruit Association	799461697	Nasirahmadnazimi@gmail.com
70			Said Hakem	CEO, Haji Said Karim Company	795512830	
71			Abdul Basit	Deputy CEO, Aziz Basit Ramaki Company	744021000	Ab.ramakiltd@gmail.com
72			Musa Ahmad Etekal	Assistant, Ahad Sami Company	700212777	Ahadsami.ltd@gmailcom
73			Shakib Refat	Manager, Haidar Refat	777202222	Shekib.refat@gmail.com
74			Milad Fedaie	Assistant, Haidar Refat	778441766	miladfedaie@gmail.com
75	8-Jul-15	Torkham Inland Customs	Said Bashir Ahmad Sadat	Head of Torkham Customs	799385562	
76	8-Jul-15	FGD with Female Interns and Female Staff of ACD	Weeda Maryam	Former Intern-ATAR	796316649	maryamweeda@gmail.com
77			Nasima Zafari	Former Intern-ATAR	744998609	Nasima.zafari@gmail.com
78			Malalai	ANCA Manager	700227030	Malahat_ibrahimi@yahoo.com
79			Torekai	International Affairs Manager	773308313	
80			Anjila	ACD Exemption Officer	744862958	Engila.hasib@gmail.com
81	9-Jul-15	GIZ "Support to Regional Trade in CA" Programme (Kyrgyzstan)	Khushnidjon Rasulov	Team Leader		khushnidjon.rasulov@giz.de
82	9-Jul-15	Ministry of Economy (Kyrgyzstan)	Meerim Momunzhanova	Head of Foreign Trade Sector		trade@mineconom.gov.kg
83	9-Jul-15	OSCE (Kyrgyzstan)	John Krob	Customs Project Expert		skidchopper03@yahoo.com
84	9-Jul-15	World Bank	Hasan Afzal Zaidi	Head of Transport Unit		via enasiree@worldbank.org
85	9-Jul-15	World Bank	Khaleda Atta	Strategy and Operation Officer		via enasiree@worldbank.org
86	9-Jul-15	World Bank	Nazir	Private Sector Development Specialist		via enasiree@worldbank.org

87	10-Jul-15	GIZ "Support to Regional Trade in CA" Programme (Kyrgyzstan)	Damira Osmonova	Coordinator		damira.osmonova@giz.de
88	11-Jul-15	ATAR	Abdul Safir Sahar	Deputy Chief of Party	93(0)5846213	safirsahar@gmail.com
89	11-Jul-15	ATAR	François-Jude Pépin	Chief of Party	93(0)794152509	fpepin@atar.com
90	11-Jul-15	ATAR	Mark Hamill	Consultant		mhamill@atar-af.com
91	11-Jul-15	MAIL - Veterinary Directorate	Dr. Noorrhaman Ariaie	Head, Veterinary Public Health and Quarantine	798721072	Noor.ariaie@mail.com
92	11-Jul-15	MAIL - Veterinary Directorate	Dr. Mir Ahmad Ahmadzai	Animal Health Director	774501361	Mir.ahmadzai@mail.gov
93	11-Jul-15	MAIL- Veterinary Directorate	Dr. S. Abdu lHussain Qanee	Head, Central Epidemiology	772274953	Sayedabu_10@yahoo.com
94	12-Jul-15	Da Afghanistan Bank (Central Bank of Afghanistan)	Mir Aziz Baraki	Payment General Director	202102203	Azizi.baraki@centralbank.gov.af
95	12-Jul-15	MoCI	Ahmad Tariq Mateen	Head of Regional Trade Agreements	789810617	ahmad.tariq07@gmail.com
96	12-Jul-15	MoCI TPAU	Sabawoon Gharany	Agriculture Expert		
97	12-Jul-15	MoCI TPAU	Safiullah Qazizada	Specialist		
98	12-Jul-15	MoCI TPAU	Mohammad Azim Yousofi	ECOTA Expert		
99	12-Jul-15	MoCI TPAU	Sadiqullah Mofakir	SAFTA Expert		
100	12-Jul-15	MoCI TPAU	Shabir Stanikzai	Trade Analysis Expert		
101	12-Jul-15	MoCI TPAU	Zedrullah Shahidi	ECO Officer		
102	12-Jul-15	MoCI	Jamal Shah Santekzai	Head of Bilateral Trade Agreements	777424346	stanekzai@gmail.com
103	13-Jul-15	ACD	Shah Jahan Ahmadzai	Head of Legislation Department	775079464	
104	13-Jul-15	ANCA	Eimal Omari	Manager	776350120	
105	13-Jul-15	ATAR	Farhat Farhat			fyfarhat@eif-inc.com
106	13-Jul-15	Embassy of Afghanistan (Kyrgyzstan)	Rahmatullah Karimi	First Secretary	996-705-542200	karimi111234@gmail.com

107	13-Jul-15	Administrative Office of the President	Habibullal Shinwari	Head, Identification and Development Policy	795400180	hzmaray@gmail.com
108	13-Jul-15	Independent Expert (CAR Region)		Prefers to be unnamed		n/a
109	13-Jul-15	MoCI	Abdul Kareem Mailkyar	Head, WTO Unit	799317803	abdulkareemaf@gmail.com
110	13-Jul-15	MoCI	Tariq Ahmad	Head, IP Registry	700634545	Tariq_af_@hotmail.com
111	14-Jul-15	Customs Cargo Service LLC (Kyrgyzstan)	Natalia Shyrshova	Director	996(555)550211	Natasha_001@mail.ru
112	14-Jul-15	AIATT - National Transport Association (Tajikistan)	Nargis Khamidova	HOD International Relations	907757773	n-hamidova@mail.ru
113	14-Jul-15	Customs Brokers' Association (Tajikistan)	Firuza Makhmudova	Deputy Chairperson	00992-935-981199	m.firuza@ikdom.com
114	14-Jul-15	Independent (CAR Region)	David Brantley	Independent Trade, Development and M&E Consultant		davidebrantley@yahoo.com
115	14-Jul-15	Kabul International Airport	Akhundzada Tareen	Member of Post Clearance Audit Department	770432912	
116	14-Jul-15	Kabul International Airport	Haji Azizullah Aziz	Head - Entry Processing Unit	799444496	
117	14-Jul-15	Kabul International Airport	Mohammad Anwar Gran	Broker	778869121	
118	14-Jul-15	OSCE (Kyrgyzstan)	Saltanat Alibekova	OSCE Customs Project Manager	996775970256	Saltanat.Alibekova@osce.org
119	14-Jul-15	Single Window State Enterprise (Kyrgyzstan)	Urmat Takirov	Head of Division (former)		takirov81@gmail.com

120	14-Jul-15	Customs Brokers' Association (Tajikistan)	Firuza Makhmudova	Deputy Chairperson	992-935-981199	m.firuza@ikdom.com
121	14-Jul-15	USAID (Kyrgyzstan)	Paul Hamlin	Activity Manager for ATAR	996-555-777-856	phamlin@usaid.gov
122	15-Jul-15	Association of International Road Transport Operators of the Kyrgyz Republic (Kyrgyzstan)	Turkmen Bootaev	Chairman	996(770)979705	t.bootaev@airto-kr.com
123	15-Jul-15	Freight Operators Association (Kyrgyzstan)	Temirbek Shabdanaliev	Chairman		temir300@mail.ru
124	15-Jul-15	Ministry of Economy (Kyrgyzstan)	Taalaibek Bektashev	Head of Trade Policy Department	996(555)922250	t.bektashev@mineconom.gov.kg
125	15-Jul-15	Tajikistan Chamber of Commerce (Tajikistan)	Manzura Rustamova	Deputy Chairperson	992900971000	rmanzura@mail.ru
126	15-Jul-15	USAID (Kazakhstan)	Laura Gonzalez	Deputy Director, Economy	77770171241	lagonzalez@usaid.gov
127	15-Jul-15	USAID (Tajikistan)	Daler Asrorov	Activity Manager for ATAR	(99237)229-26-04	dasrorov@usaid.gov
128	15-Jul-15	USAID (Turkmenistan)	Serdar Yagmurov	Activity Manager for ATAR		syagmurov@usaid.gov
129	16-Jul-15	ATAR	Farhat Farhat	Trade Advisor	0790498218	fyfarhat@eif-inc.com
130	16-Jul-15	Chamber of Commerce and Industry of the Kyrgyz Republic (Kyrgyzstan)	Nurlan Musuraliev	Deputy Chairperson	996(770)921818	mbs7722@gmail.com

131	20-Jul-15	ANSA	Dr. Mujiburrahman Khatter	Technical Deputy Director General	700215246	faqiria@yahoo.com
132	20-Jul-15	Association of Customs Brokers (Kyrgyzstan)	Ivan Geletyuk	Chairman	996(770)714297	svtsbroker@list.ru
133	21-Jul-15	ABBAT Tajik National Transport Association (Tajikistan)	Larissa Kislyakova	HOD International Relations	446000540	k_larisa64@mail.ru
134	21-Jul-15	CSO	Azizullah Faqiri	Head of Economy Statistic Department	799134472	Azizi.baraki@centralbank.gov.af
135	21-Jul-15	MoCI	Abdul Kareem Mailkyar	Head, WTO Unit	799317803	abdulkareemaf@gmail.com
136	21-Jul-15	MoCI	Rahim Momand	DG International Trade	795400191	Iam_rahim@yahoo.com
137	22-Jul-15	Hairatan	Zahir Oqab	Head, Border Police	728055757	
138	22-Jul-15	Hairatan Border Customs	M. Amin	Head, Port One Warehouse	777777010	
139	22-Jul-15	Hairatan Border Customs	Salih Khan	Head, ,Transit Department	799106993	
140	22-Jul-15	Hairatan Border Customs	Ehsanullah	Head, Data Entry Unit	799433958	tech.ddg@ansa.af
141	22-Jul-15	Hairatan Inland Customs	Haje M. Zahir Ansari	Deputy to Hairatan Inland Customs	799089019	
142	22-Jul-15	Hairatan Inland Customs	Haji Abdul Ghafoor	Entry processing Unit Manager	799269242	
143	22-Jul-15	Hairatan Inland Customs	M. Jamshid Wasiq	Customs Specialist- ATAR embedded employee	799211730	
144	24-Jul-15	Hairatan Inland Customs	Satar Sarhal	Hairatan Inland Customs Director	799312793	
145	26-Jul-15	ACD	Abdul Haleem Sadrey	Director, Customs Operations	700222110	Abdul.sadrey@graduateinstitue.ch
146	26-Jul-15	ACD	Gul Pach (Pacha)	General Director Customs, Technical Affairs	703111888	Gul.pacha@gmail.com
147	26-Jul-15	ACD	Imran Hamidi	Head, Customs Valuation	700620760	hamidiimram@yahoo.com
148	26-Jul-15	Kabul Inland Customs	Pashtonyar	Head of Entry Processing Unit	700271190	

149	26-Jul-15	Kenetic Legale	Sher Saeedi	Managing Partner	771149699	ssaeedi@kineticlegale.com
150	26-Jul-15	MoCI	Humayoon Rasaw	Minister	790922922	Humayoon.Rasaw@moci.gov.af
151	27-Jul-15	EPAA	Mohammad Khalid Tayeb	Project Manager (and Acting Head of EPAA May-July 2015)	700050628	khalid.tayeb@epaa.org.af
152	27-Jul-15	Kabul University	Spien Jan "Lalahand"	Associate Professor	700029059	
153	27-Jul-15	Ministry of Economic Development and Trade (Tajikistan)	Soliev Farukh	HOD International Trade Division	933002801	farukh.soliev@gmail.com
154	29-Jul-15	ACD	Muhammad Umer Momand	Support and Development Director	799721441	m_umar25@yahoo.com
155	29-Jul-15	USAID-Promote Women in Government	Mina Sherzoy	Acting COP	797111888	msherzoy@gmail.com
156	4-Aug-15	USAID	David Marsden	Deputy Director, Technical Services□Economic Growth Advisor	202-712-5193 +93(0)702-636-317	dmarsden@usaid.gov
157	8-Aug-15	ACD	Najibullah Wardak	Director General of Customs	799406065	dr_najib2007@yahoo.com

ANNEX VII DETAILED DESCRIPTION OF METHODOLOGY

The focus of the evaluation will be to determine the effectiveness and efficiency of ATAR's work toward its stated goals and expected results, and to make recommendations for the improvement of project implementation in the remaining years of the Project.

There was close coordination with USAID/Afghanistan (OEGI and OPPD) to ensure that the evaluation team selected approved methods. Data sources included document reviews, focus groups and key informant interviews with key GIRoA officials from MOCI, ACD, MAIL, MOPH, MOJ, ANSA, EPAA and the private sector. The proposed evaluation design and methodology were critically evaluated against the "purpose" of the evaluation as stated in the SoW (*See*, Annex a).

The evaluation followed a qualitative approach using semi-structured interviews with key Ministries and the private sector; direct observation at project sites; focus groups; and literature review. The evaluation considered a review of project outcomes including effectiveness and sustainability. Questionnaires were designed to obtain consistent information across a variety of stakeholders to compare situations prior to and since ATAR support. In addition, key ATAR staff were interviewed.

Literature Review

Documents reviewed included those internal to the project such as annual, quarterly, progress, and terminal reports; technical reports from consultants/subcontractors; methodological documents; tools and training guidelines; as well as external documents from GIRoA and other development organizations. (*See*, Annex 2: Bibliography)

Interviews, Focus Groups Discussions And Field Visits

a. *Checklists and Questionnaires*: The evaluation team developed a core question checklist and/or questionnaires to ensure consistency in data collection. The evaluation team submitted the checklists and/or questionnaire for USAID approval in the Work Plan prior to use.

b. *Focus Group Discussions*: The evaluation included focus group discussions with the private business sector and beneficiary groups.

c. Field interviews were conducted in Kabul, Herat, Mazar-i-Sharif and Jalalabad.
Individual/Key Informant Interviews: The evaluation team interviewed representatives of USAID/Afghanistan OEG staff, ATAR's partners including relevant GIRoA officials, private sector representatives, including associations, women's groups, key beneficiaries, USAID/CAR (based in Almaty in Kazakhstan), ATAR staff, private business sector, beneficiaries including beneficiaries in the CARS - Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan as well as groups, local leaders, and other donors and organizations working in Afghanistan. The Table below summarizes the key informants and relevance.

Key Informants Interviewed and Relevance

#	Actor	Relevance
1	Chemonics	Implementing Partner for ATAR.
2	USAID/OEGI Trade Team	Donor
3	MoCI Deputy Minister Office	Recipient of ATAR support.
4	MoCI International Trade Directorate	ATAR's support WTO accession, Bilateral, Multilateral, Regional Trade/Transit Agreements.
5	MoCI TPAU Trade Policy Analysis Unit)	Received support from ATAR –data analysis for formulating trade policy.
6	MoCI EPAA (Export Promotion Agency of Afghanistan)	Recipient of training/capacity building, especially with respect to representing the country in expos and regional integration.
7	MoCI IPR Afghanistan Central Business Registry)	Recipient of ATAR support.
8	ACD (Afghan Customs Department) (Ministry of Finance (MoF))	Received capacity building and technical assistance from ATAR
9	MoJ (Ministry of Justice) Legislative (Taqnin) Department	Received capacity building and technical assistance from ATAR
10	MAIL (Ministry of Agriculture Irrigation and livestock): Policy and Planning Department, Animal Health and Veterinary Services Department and Plant Protection Quarantine Department	WTO Accession preparation.
11	MoPH (Ministry of Public Health): Pharmacy Department, and Agriculture and Pharmacy Faculties	WTO Accession preparation.
12	ANCA (Afghanistan National Customs Academy)	Provides training for customs officers.
13	ABP (Afghan Border Police)	Received support from ATAR to implement Border Management Model in formal partnership with ACD.
14	ANSA (Afghanistan National Standard Authority)	WTO Accession preparation. Received resources and TA support from ATAR
15	CSO (Central Statistics Organization)	Received equipment, resources and TA to improve trade related data acquisition from EPAA and ACD aimed at reducing data discrepancies.
16	Government of Tajikistan (Customs)	Received customs training for regional integration and harmonization.
17	Government of Kyrgyzstan	Received WTO trade facilitation training for regional integration and harmonization.
18	Businesses and associations in the private sector, including in Afghanistan,	Especially attendees of B2B events, recipients of any additional training

	Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan	(through ATAR/Chemonics records), also as observers of the ministries and linkage to the business/ investment/ trading sector.
19	ACCI (Afghan Chamber of Commerce and Industry)	Key linkage with trader/business private sector.
	Female participants in internship program at ACD	ATAR's internship program at ACD
20	DfID, CAREC (CAR)	Donors to Afghanistan that support trade and transport programs. Also, ATAR transferred $4 million to DGID to support VAT at ACD.
21	USAID Projects: FAIDA, Promote	USAID Donors

ANNEX VIII EVALUATION TOOLS

1. To what extent has ATAR provided technical assistance and capacity training for developing and implementing a risk management system?

   a. Was this assistance provided to all provinces except Kandahar and Kunduz?

   b. If not, in how many provinces/customs office was this technical assistance provided?

2. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 5 is the implementation of the Risk Management System in Khost, Andkhoy and Nimroz. To what extent is ATAR be providing technical support to Customs on this?

3. In terms of capacity building and technical support in developing and implementing a risk management system:

   On a scale of 1-5 (1 being the lowest), how efficiently did ATAR provide its technical assistance?

   On a scale of 1-5 (1 being the lowest), how effectively did ATAR provide its technical assistance?

   On a scale of 1-5 (1 being the lowest) is ACD able to sustain this capacity development based on the assistance provided?

4. To what extent, if any, has ATAR provided technical assistance in ASYCUDA training?

5. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 4 is the implementation of the new pricing module in the ASYCUDA system. To what extent, if any, is ATAR providing any technical support on this? If so, please explain/detail.

6. To what extent has ATAR provided capacity building on customs valuation? Was this technical assistance helpful to ACD?

   On a scale of 1-5 (1 being the lowest), how efficiently did ATAR provide its technical assistance?

   On a scale of 1-5 (1 being the lowest), how effectively did ATAR provide its technical assistance?

   On a scale of 1-5 (1 being the lowest) is Customs able to sustain this capacity development based on the assistance provided?

7. To what extent has ATAR provided assistance with refining the customs code?

a. Has ATAR provided capacity training to customs staff on developing policy and skills in implementing the customs code?

b. Did ATAR provide technical assistance and capacity building to streamline processes and minimize barriers to trade? If so, please describe the kinds of assistance.

c. On a scale of 1-5 (1 being the lowest), how efficiently did ATAR provide its technical assistance?

d. On a scale of 1-5 (1 being the lowest), how effectively did ATAR provide its technical assistance?

e. On a scale of 1-5 (1 being the lowest) is Customs able to sustain this capacity development based on the assistance provided?

8. To what extent has ATAR provided technical assistance for E-Pay of customs fees/debt?

9. To what extent was the technical assistance correctly sequenced and/or targeted to enable ministries to accept payment of customs fees from commercial traders and process release forms at commercial banks throughout the country?

   a. On a scale of 1-5 (1 being the lowest), how efficiently did ATAR provide its technical assistance?

   b. On a scale of 1-5 (1 being the lowest), how effectively did ATAR provide its technical assistance?

   c. On a scale of 1-5 (1 being the lowest) is Customs able to sustain this capacity development based on the assistance provided?

10. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 6 Starting the process of pilot electronic payments in Kabul Customs.

    a. Please describe the level of technical support ATAR has provided to Customs regarding this.
    b. What challenges do you see in E-Pay and what steps do you think are required to overcome those challenges?
    c. In what way could ATAR provide further assistance in rolling out E-Pay?

11. The Afghan Government's (MoF)s 100 day plan Customs Affairs, Question 1 is to increase the efficiency of collection of government revenue at least 10% in comparison to the previous year.

a. Has ATAR been helpful to Customs in terms assisting customs in increasing revenue collection?
b. If so, what was the type and level of support?

c. What further support, if any, would you like to see from ATAR on this?

12. The Afghan Government's (MoF)s 100 day plan Customs Affairs, Question 2 is the implementation of Customs Data Exchange System with Tajikistan. To what extent has ATAR supported ACD in reaching this goal?

13. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 7 Implementation of sending text messages to traders for providing the customs returns.

a. To what extent is ATAR be providing technical support to Customs on this?

b. If not, is this an area of technical assistance ACD where would like to have technical support from ATAR?

14. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 8 Providing the customs human resources reform plan to the cabinet and activation of customs national academy with customs specific education programs.

a. Has ATAR been providing training to ANCA?

b. On a scale of 1-5 (1 being the lowest), how efficiently did ATAR provide its technical assistance?

c. On a scale of 1-5 (1 being the lowest), how effectively did ATAR provide its technical assistance?

d. On a scale of 1-5 (1 being the lowest) is Customs able to sustain this capacity development based on the assistance provided?

15. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 9 Preparing draft tariff for precious and semi-precious stones in agreement with Ministry of Mines and Petroleum, AISA and Chamber of Commerce. To what extent is ATAR providing technical support and capacity building on this?

16. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 10 Preparing the draft schedule of agricultural products tariff in agreement and cooperation with Ministry of Agriculture, Irrigation and Livestock. To what extent is ATAR providing technical support and capacity building on this?

17. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 11 Preparing the draft of industrial tariff system for supporting domestic industry in

cooperation with Ministry of Commerce. To what extent is ATAR providing technical support and capacity building on this?

18. To what extent has ATAR provided technical assistance to ACD on implementing a one-stop concept? How effective was this technical assistance?

19. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 12 Opening and capacity building Window in Customs.

    a. To what extent is ATAR providing technical support on this?

    b. What challenges does ACD see in implementing a single window in Afghanistan?

20. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question 13 Finalizing Customs Memorandum of Understanding (MoU) with Iran and United Arab Emirates Is ATAR assisting Customs on drafting this MoU?

    a. If so, to what extent?

    b. If not, would Customs like to have ATAR's assistance and to what extent?

21. The Afghan Government's (MoF)s 100 day plan Customs Affairs Question **14** Providing a plan to address the main problems caused by importing goods in retail.

    a. What are the key issues?

    b. What types of solutions do you see?

    c. Is ATAR assisting Customs in addressing these problems. If so, to what extent?

22. To what extent has ATAR provided technical assistance and capacity building to the Afghan National Customs Academy (ANCA)? Has this resulted in a cadre of well-trained customs officers? If yes, please explain. If no, please explain areas of improvement.

23. To what extent has ATAR provided technical assistance on issuing advance rulings? If so, how effective and efficient has ATAR provided this technical assistance and capacity building? Does ACD's staff have the capacity to prepare independently advance rulings?

    a. On a scale of 1-5 (1 being the lowest), how efficiently did ATAR provide its technical assistance?

    b. On a scale of 1-5 (1 being the lowest), how effectively did ATAR provide its technical assistance?

c. On a scale of 1-5 (1 being the lowest) is Customs able to sustain this capacity development based on the assistance provided?

24. What is the status of the Electronic Data Interchange (EDI) implementation with Pakistan? What are the challenges in implementing EDI with Pakistan?

25. Is there a cadre of trained staff that can continue to manage independently EDI, ASYCUDA, E-Pay software and other customs software?

26. Has ATAR provided capacity building and technical support on ACD's Border Management Model?

a. Did ATAR together with ACD and ABP conduct an assessment of six sites to ensure that these locations were compliant with BMM?

b. Did ATAR develop a template for this purpose?

27. How effective has ATAR's Component 3, Customs, technical assistance to ACD been in enhancing operational effectiveness and in improving the quality of outputs (strategy, policy, operational plans, etc.)? If applicable, identify (including the degree of impact) the primary barriers, factors that have improved or, other aspects of implementation that had a positive or detrimental effect on the technical assistance on the quality of the outputs from the beneficiary institutions.

28. ATAR has provided embedded support to ACD. Did this support serve to increase ACD's staff capacity?

a. On a scale of 1-5 (1 being the lowest), how efficiently did ATAR provide its technical assistance?

b. On a scale of 1-5 (1 being the lowest), how effectively did ATAR provide its technical assistance?

c. On a scale of 1-5 (1 being the lowest) is Customs able to sustain this capacity development based on the assistance provided?

29. Has ACD is overall satisfied with the technical support provided by ATAR?

a. If no, what changes would ACD like to see?

b. What recommendations does ACD have to facilitate a move effective, efficient and sustainable technical support from ATAR?

On Gender:

1. How many female interns were placed at ACD?
2. How was the experience with those interns?
3. Why they were not recruited when their internship was ended?
4. Is ACD a good place for women to work?
5. If so, what ATAR should do with ACD to enable more women to work here and what should be different with the internship program?

Questions for Afghanistan National Standards Authority (ANSA)

1. Q. Is ANSA a full member of ISO? What date?

2. Q. What is the status of the Law on Standards and Technical Regulations? (Sponsoring Ministry)? The TBT Law Did ATAR assist in drafting this law?

3. Q. In assisting in drafting this law, did ATAR work with your staff in explaining the reasons for particular provisions, *etc*. In other words, did ATAR help build staff capacity/technical skills in legislative drafting?

4. Q. Have regulations and procedures pertaining to this law been drafted?

5. Q. What is the status of the procedures? In assisting in drafting procedures, did ATAR work with your staff in explaining the reasons for particular provisions, *etc*. In other words, did ATAR help build staff capacity/technical skills in drafting regulations and procedures?

6. Q. Does your office have the capacity to draft regulations and procedures independently? If not to what extend do you need assistance in preparing regulations and procedures?

7. What is the status of your Law on Legal Metrology?

8. Q. Did ATAR create work teams to enable your Office to more effectively work the technical issues for which ANSA is responsible? If so, was this useful? Was this an effective way to build understanding and capacity with your office? Was this an efficient way to build understanding and capacity?

9. Please describe what other activities, including trainings in ISO standards that ATAR has undertaken to build capacity and technical skills with your ANSA. Have these been effective? Is this an efficient way to build capacity with your office?

10. Has ATAR assisted in developing syllabus and training materials and provided existing training materials. Is this helpful? Do you have any recommendations that would improve this assistance?

11. Did ANSA participate in an April 14, 2015 working group meeting ATAR supported on the procedure for food hygiene practices for manufacturing, packing, or holding? Was this helpful in promoting your understand of food standards? Do you recall what other groups participated in this working group? (MOPH, MOCI, EPPA, the National Environment Protection Agency (NEPA), ANSA, Kabul University, and the private sector).

12. Q. Did ATAR provide technical assistance in setting up the Certification Unit, adopting guidelines and standards? If so, how effective was this technical assistance? Were resources efficiently used/directed?

13. Q. What aspect of your Certification Unit is currently functioning to certify products? Has ATAR assisted you in designing a certification mark for export products and internally manufactured products that meet standards and requirements? What is the status of the mark?

14. Q. Did ATAR provide capacity training to staff to the extent that staff can sustain the functioning of the Unit

15. Q. How many international standards has ANSA adopted and what to what extend did ATAR provide technical assistance and capacity building? (ATAR states that it supported the acquisition of 31 international standards for ANSA)

16. Q. Please describe ANSA's Standards and Information Center.

17. Q. How effective was ATAR's technical assistance in establishing this Center?

18. Q. How will this Center be sustained? How much technical support does ANSA need to continue its work? To sustain this Center?

19. Q. Are there areas where the efficiency of resource use could be improved, or conversely, priority areas, which appear under resourced?

20. Q. What are the barriers you face in preparing going forward for a fully functioning ANSA? Has ATAR assisted in overcoming these barriers? Has ATAR's support facilitated or improved your outputs regarding the ANSA's functions and responsibilities?

21. In terms of technical skills, including laboratory procedures, how independently can ANSA work without ATAR's support? In other words, to what extent does ANSA have the technical skills and capacity to sustain itself?

22. Does your office have an embedded ATAR employee? If so, this this valuable assistance to your Office? Was this an efficient way to provide support to your Office? An effective way to provide support to your Office?

23. Q. How responsive is ATAR to your request for technical assistance and capacity building?

24. Has ATAR assisted in launching development of a database of standards and technical regulations and in developing a web interface for accessing this database?

25. What recommendations do you have for continued ATAR's assistance?

ANNEX IX RESPONSE TO SECURITY QUESTIONS

1- How are security decisions made regarding the movement of national staff?

National staff receive regular security briefings and trainings from the Country Security Team (CST) in Kabul. Part of this ongoing training is how to arrange for their movement. Chemonics security platform maintains a network of Logistics Officers based in its projects areas of operation (Kabul, Western and Southern Afghanistan). This network provides up-to-date information on the security situation in each area of operation and performs routes and venue assessments prior to National Staff movements.

For movement outside of the duty station (example: Kabul-based staff visiting other provinces or districts outside of Kabul city), prior CST approval is required as part of the TAF (Travel Authorization Form). Once notified, and depending on the location and the method of transportation, as well as precedence (if staff have been to that location recently), the CST will provide a pre-departure briefing to the National Staff to go over the security risks, suggested routes, methods of transportation and necessary precautions that are specific to that trip. National Staff are required to maintain communications at all times during their travel, and their movements are tracked through the Operations Center (a 24/7 manned center managed by the security subcontractors and supervised by CST). National Staff also need to debrief after returning to provide an ongoing assessment of routes and locations. For long, complex trips, it is common for the CST to dispatch a member to travel with the National Staff (sometime before the trip), to conduct necessary coordination with ANSF in these areas to allow and facilitate for safe travel. This is especially true if travel is planned to new districts/provinces where Chemonics does not have Logistics Officers based.

For movement inside the duty station (normal travel to/from work in the same city, or travel to embed locations), the CST has to have an updated venue assessment at all times to identify risks and mitigation factors associated with each location. Part of this assessment process is working with the project team to identify required security upgrades for each location, these may include setting up safe rooms, redundant communication methods, interior and exterior security measures (T-walls, Hescos, protective film on windows, strong doors, barbed wire, etc.) to be installed at embed locations. Part of Chemonics security policy is that “office work is done in secure compounds”, this applies to National Staff if they are to work (i.e. be embedded) at a ministry, or other partners location. Security resources (i.e. armed guards and armored vehicles) are generally not deployed with National Staff in order to lower their profile and allow them to blend in with the community, but strict tracking, briefing, assessment requirements are in place to protect National Staff movements.

2- How are security decisions made regarding the movement of international staff?

Security Sensitive information.

ANNEX X DETAILED INTERVIEW NOTES

Provided separately.

ANNEX XI DISCLOSURE OF ANY CONFLICTS OF INTEREST

[The Evaluation Policy requires that evaluation reports include a signed statement by each evaluation team member regarding any conflicts of interest. A suggested format is provided below.]

Disclosure of Conflict of Interest for USAID Evaluation Team Members

Name	Savitri Singh
Title	Consultant
Organization	Checchi and Company Consulting, Inc.
Evaluation Position?	☐ Team Leader ☐ Team member
Evaluation Award Number *(contract or other instrument)*	**Contract No. AID-306-C-12-00012**
USAID Project to be Evaluated *(Include project name(s), implementer name(s) and award number(s), if applicable)*	
I have real or potential conflicts of interest to disclose.	x Yes ☐ No
If yes answered above, I disclose the following facts: *Real or potential conflicts of interest may include, but are not limited to:* *1. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.* *2. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.* *3. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.* *4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.* *5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.* *6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.*	3. As the Senior Regional Economic and Trade Advisor to UNAMA, I interacted with donor trade projects in Afghanistan, including TAFA. I have interacted with some of the government officials/Ministries that are beneficiaries of the project. In other words, I have interacted directly or indirectly in past with the project as well as with US government and Afghan government officials relating to the project while in Kabul. My interactions were short, professional and, in my view, neither in-depth nor significant. 4. I have applied in the past for a position with TAFA/ATAR but I never received a response. I have not had any direct contact with the project since leaving Kabul in 2012. I am a professional with the highest level of integrity. I am confident that past interactions will have no bearing on my professional evaluation of the project and should not present any issues of impartiality, perception or reality based.

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for

as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	
Date	May 19, 15

Name	Sarah Parkinson
Title	Consultant
Organization	Checchi and Company Consulting, Inc.
Evaluation Position?	☐ Team Leader ☐ Team member
Evaluation Award Number *(contract or other instrument)*	**Contract No. AID-306-C-12-00012**
USAID Project to be Evaluated *(Include project name(s), implementer name(s) and award number(s), if applicable)*	Afghanistan Trade & Revenue (ATAR) Project
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
If yes answered above, I disclose the following facts: *Real or potential conflicts of interest may include, but are not limited to:* 1. *Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.* 2. *Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.* 3. *Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.* 4. *Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.* 5. *Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.* 6. *Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.*	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	Sarah Parkinson
Date	22/05/15

Checchi and Company Consulting, Inc.
Afghanistan SUPPORT-II Project
Wazir Akbar Khan
Kabul, Afghanistan

USAID | AFGHANISTAN
FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

Mid-Term Gender Analysis and Action Plan



7 January 2016

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ACRONYMS

ABADE	Assistance in Building Afghanistan by Developing Enterprises
ABC	Afghanistan Building Capacity Program
ACD	Afghanistan Customs Department
ANCA	Afghanistan National Customs Academy
ANSA	Afghanistan National Standards Authority
ATAR	Afghanistan Trade and Revenue Project
AUAF	American University of Afghanistan
AWBF	Afghanistan Women's Business Federation
CSC	Civil Service Commission
EIF	Economic Integration Forum
MOCI	Ministry of Commerce and Industries
SEWA	Self Employed Women's Association
SME	Small and Medium-Sized Enterprise
USG	United States Government
WIG	Women in Government Project

A. OVERVIEW

The Afghanistan Trade and Revenue (ATAR) project has taken great strides to improve Afghanistan's trade environment and realize its full potential in the global trading market. ATAR, which began November 7, 2013, and will end November 6, 2017, executes activities under three components. Components 1 and 2 focus on strengthening the trade-enabling environment to encourage private-sector investment, job creation, and economic growth, while Component 3 focuses on customs reform to facilitate trade and increase revenue. ATAR is based in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support regional customs activities and works in Tajikistan, Kyrgyzstan, Turkmenistan, and Uzbekistan to strengthen Afghanistan's trade in Central Asia.

Gender equality and women's empowerment are universally recognized as key to effective and sustainable development. Women's economic participation in Afghanistan is an integral part of women's rights and is vital to national development.[1]. Small- and medium-sized enterprises are an economic driver of Afghanistan's development, constituting about 75 percent of the labor force and generating more than 50 percent of gross domestic product[2]. Women constitute roughly 49 percent of Afghanistan's 35.5 million people, and play a major role in Afghan industries, such as agriculture, jewelry, carpets, and embroidery[3].

Investing in Women

"Investing in women is important and at the center of U.S. foreign policy…To the women here today, I want to say thank you. We know that women's participation is essential to addressing virtually every challenge we face as individual nations and as a community of nations."

— Ambassador P. Michael McKinley, U.S. Ambassador to Afghanistan

ATAR understands the importance of mainstreaming gender considerations as a critical factor to project success in Afghanistan. ATAR works to reduce gender gaps in business and trade and to empower Afghan women to become an influential part of the public and private sectors. This Mid-Term Gender Analysis and Action Plan serves a dual purpose, providing a gender analysis that examines ATAR's past two years of implementation, and, building upon lessons learned, providing a gender action plan for the remaining two years.

The Mid-Term Gender Analysis addresses ATAR's deliverable to provide this analysis "at the mid-point of the contract to determine the extent to which both sexes participate and benefit and the degree to which the project has reduced gender disparities and improved the situation of disadvantaged girls and women. The report will also contain recommendations for improving the manner in which the project addresses gender disparities."

The Mid-Term Gender Action Plan complements the Gender Analysis and covers the remaining two years of ATAR. The plan aims to provide a roadmap for the project to facilitate women's advancement within business and trade – expanding and improving upon activities that the project began in November 2013.

The plan will be implemented under the purview of the Deputy Chief of Party by ATAR's gender team led by Regional Trade Integration Manager Sunirmal Ray, who will assume gender

[1] Afghanistan 2010 Survey. The Asia Foundation. http://www.asiafoundation.org/resources/pdfs/Afghanistanin2010survey.pdf
[2] http://asiafoundation.org/in-asia/2013/08/07/hope-for-afghanistans-women-entrepreneurs/
[3] CIA World Fact Book. https://www.cia.gov/library/publications/the-world-factbook/geos/af.html

responsibilities in addition to his current Component 2 duties, which include promoting business women, their participation in international trade events, and supporting their associations in advocating their cause.

Recognized for his extensive work with capacity building of Micro Small and Medium Enterprises (MSME), Sunirmal brings a focus on business development training, MSME capacity building, and establishing SME market linkages and extensive experience training Afghan enterprises in business planning and export management that. Mr. Ray will be supported by a team of locals including the M & E Manager, and a national gender specialist who will be recruited; a national youth specialist who will be recruited; and short-term expatriate gender specialists who will conduct gender assessment and follow-up assignments as needed. This team will be supported by the ATAR team in their efforts, with Expat component leaders serving as coaches and facilitators to women's organizations and local counterparts, and ensuring gender is a primary consideration in all technical activities. We will also use Chemonics' Country Operation Optimization Program (CO-OP) to support capacity development for ATAR's male and female Afghan staff.

The analysis and plan focuses on ATAR's five major interventions: 1) employment and empowerment of women and men project staff; 2) internships at government counterparts; 3) training to develop the trade and business skills of women; 4) the participation of Afghan women in forums and trade events; and 5) gender awareness sessions at government counterparts and other relevant stakeholders.

The report ends with ATAR's performance against the project's gender-relevant indicators, proposed changes and additions to indicators, and lessons learned over the past two years.

B. PROJECT GENDER INTERVENTIONS

1. Employment and Empowerment

Analysis

ATAR has strived to hire women on the project during the past two years of implementation, but the project recognizes the need to increase its number of women staff members (addressed in the following action plan section). As of the mid-November 2015, of the project's 53 national technical and administrative staff, 4, or almost 8 percent, were women. The number of women has fluctuated due to normal staff turnover as project staff have moved to other employers and donor-funded projects.

Many of ATAR's women staff have excelled and helped to chip away at traditional notions regarding the capabilities and roles of Afghan women in the government and the work place. With support from short-term expatriate consultants, two female lawyers on Component 1's Trade Policy Liberalization team have led project efforts on developing procedures and regulations in support of specialized and groundbreaking aspects of the Law on Plant Protection and Quarantine, the Law on Food Safety, and the Law on Animal Health and Veterinary Public Health. They have been instrumental in networking with public and private stakeholders, syncing English and Dari translations and gaining approval on the final wording, and improving stakeholder understanding of complex concepts. In addition, a woman staff member of Component 3's Customs Reform team has proved invaluable in mentoring both male and female staff in ATAR's internship program at the Afghanistan Customs Department (ACD) and successfully interacting with ACD management to bring ACD polices in line with best practices.

Afghan women have served to set an example to project staff as well as counterpart staff, such as those at the Ministry of Commerce and Industries (MOCI) and ACD. While ATAR has always endeavored to hire women where possible, the project has faced cultural challenges in reaching and identifying qualified Afghan women. As detailed below in the action plan, ATAR will focus its efforts on increasing employment of women on the project, building the capacity of women to assume leadership roles and serve as mentors to other women, and increasing gender awareness of both its women and men staff.

Action Plan

Understanding that setting an example is often the most effective way to enact change, ATAR will work to increase the number of women employees on the project staff. While advertising efforts had been limited to two web sites (www.acbar.org and www.jobs.af) in the past, ATAR has begun to increase advertising channels to reach more interested and qualified Afghan women. Such additional advertising channels will include the websites and job boards of the Ministry of Women's Affairs, local universities, women's associations, and other relevant entities to target skilled women. Where possible and appropriate in its recruitment, ATAR will begin posting separate job advertisements targeting women only.

ATAR will work to empower its project staff, to share ideas and take part in decision-making. To ensure that women feel comfortable raising concerns and voicing opinions, ATAR will remain supportive of their participation in component and staff meetings. ATAR will also hold women-only

meetings led by ATAR's gender specialist to foster a safe space for women to share their feedback. The gender specialist will hold meetings with senior ATAR staff to ensure that the needs and concerns of women on the project are represented. ATAR gender focal point, Sunirmal Ray will hold meetings with men to address men's understandings of gender and gender awareness, the obstacles women face in empowerment and quality, and men's roles in securing gender equality in the workplace, community, and society.

ATAR will leverage the Chemonics' Afghanistan Building Capacity (ABC) program to provide skills training in basic data analysis, public speaking, writing, social media and information technology, resource development, and résumé development, with the understanding that supervisors will encourage women to attend. In addition, the ABC program or an ATAR short-term expatriate gender specialist will facilitate mock scenarios and gender sensitivity training so that staff understand how to handle certain workplace issues in a professional manner, such as lessons in verbal and non-verbal communication.

Following prior discussions to identify possible cooperation or leverage with the USAID-funded Women in Government (WIG) and Promote in Economy projects, ATAR will coordinate closely with WIG and Promote in Economy, through monthly meetings. Through this collaboration, we are hoping to provide training to WIG and Promote in Economy female interns on trade, customs, and business skills topics, to strengthen their understanding of workplace procedures and standards on gender inclusion prior to beginning their internship.

2. Internship Program

Analysis

ATAR's internship program has a two-fold objective that first aims to provide youth, especially women, with the experience, skills, and confidence to operate effectively in a professional work environment and ultimately strives to transition youth, especially women, from internships into permanent employment.

In support of its overall objectives, the internship program allows young men and women to learn about government organizations and the importance of trade and customs in Afghanistan's economy, cultivate their technical and personal skills in a professional work environment, and contribute to changing the traditionally patriarchal culture of the government organizations and society as a whole. This is a step toward creating a new generation of possible civil servants.

Under the internship program, ATAR recruits, places, and mentors new university graduates in a relevant field (law, economics, trade, business) at ACD, MOCI, and the Afghanistan National Standards Authority (ANSA) for six months[4]. Given a six-month duration for each program and allowing adequate time for ATAR's human resources department to advertise, interview, and recruit, ATAR expects to have four internship programs that will culminate in 100 interns in total, roughly 60 percent women and 40 percent men, over the project's lifespan.

ATAR completed one successful internship program and is at the start of its second. The first internship program faced challenges that the project plans to resolve to build a more robust platform for the future. In one of its most notable challenges, ATAR received few applications from qualified women – making it difficult to recruit females. Out of 17 interns recruited under the project's first internship program, four, or almost 24 percent, were women. While recruitment is still underway for the second internship program, ATAR has been able to increase its percentage of women interns through improved advertising efforts (detailed in the following action plan section). Under the second internship program, ATAR has hired 10 interns, six of whom are female; additional interns are in the process of being recruited.

In another challenge, ATAR found that many government positions require that the individual first undergo lengthy, formal training by the Civil Service Commission (CSC) prior to assuming a permanent position with the government. In addition, counterparts such as MOCI and ACD have a government-approved organizational structure with a specific number of personnel, and only a limited number of vacancies arise throughout the year due to normal attrition and turnover. As a result, none of the interns from the first internship program was employed by the government at the end of the program.

Action Plan

The proposed action plan for the internship program for the remainder of the project aims to offer a structured approach that will result in a more targeted recruitment of qualified women, an improved professional and personal experience for the interns, and increased dialogue on the issue of

recruitment with Afghan government officials and donor projects such as WIG.

Intern Recruitment

ATAR will work with counterparts to draft scopes of work specific to each of the three sub-sectors of its internship program: 1) legislative, economic, and standards work at MOCI and ANSA in support of the WTO accession process (Component 1); 2) trade activities at MOCI in support of domestic trade and regional trade integration (Component 2); and 3) customs work at ACD in support of an improved customs administration (Component 3).

While the internship program will be open to males and females, the advertisement will encourage females to apply and give special consideration to recruiting women. ATAR will work with each counterpart to gain approval of the scope of work to be advertised and incorporate changes or recommendations. ATAR will continue to expand its advertising from two websites (www.acbar.org and www.jobs.af) to other channels to reach more female university graduates. This increased advertising effort will involve local public and private universities, women's associations, Ministry of Women's Affairs and other ministries, and projects such as USAID's WIG. The advertising efforts will include online advertising, posting to job boards, and conducting recruitment events at universities.

ATAR will short-list those candidates who meet requirements, with a preference given to female candidates. Each component leader, along with two other project employees (including one woman ATAR staff member and one from human resources), will interview the short-listed candidates and select qualified candidates for each sub-sector of the internship program, again with special consideration given to qualified females

Intern Activities

ATAR's youth specialist will coordinate future internship programs in partnership with a focal point at each counterpart. ATAR's chief of party, deputy chief of party, component managers and deputy managers, gender focal point, gender specialist, communications director, and monitoring and evaluation director will support the efforts. The youth specialist will focus on the details of the administration, activities, activities involved in the internship program, and organize training in customs, international trade, business plan; the ATAR management listed above will support the youth specialist in carrying out these activities and serve as mentors and coaches to the interns. ATAR's permanent female Afghan staff members will also work closely with the female interns and serve as mentors who have shared similar experiences.

ATAR will brief ACD and MOCI management and department members on the component's internship program and proposed activities and encourage regular feedback throughout the program on any additional activities proposed by the counterparts. In addition, ATAR has approached and will work closely with the WIG project to align the projects' internship programs.

In order to ensure interns fully understand the program and feel part of both the counterpart and project, ATAR will conduct an orientation session at the start of each internship program. ATAR will introduce the interns to the counterpart and provide the interns with an orientation session and a packet that will familiarize them with the internship program, the counterpart, the project, work policies, trainings, security guidelines, and expectations over the next six months. ATAR will also conduct a physical tour of the counterpart and the project's headquarters. ATAR will work with each

intern to develop a development plan inclusive of career goals, expectations of the internship program, training needs, and internship needs.

The interns will perform activities at the request of the counterpart to which they are assigned as well as relevant activities assigned by ATAR that support its project work plan. ATAR staff members embedded at the counterparts will oversee the interns as well as ensure that they have a point of contact for any immediate issues. The interns will write and share concise periodic reports on their activities, including any areas for concerns or ideas for future activities.

In addition to formal work duties, ATAR will work with each intern on an individual basis to determine their specific interests and their targeted areas of growth. Using those individual discussions as a basis, ATAR will assign weekly internal activities to increase their general capacity, confidence, and gender awareness.

The interns' internal activities may include but are not limited to:

- Working in teams (female and male) to perform research on a relevant subject, such as gender-specific topics like the role of women in economy, and trade-related areas, such as the role of customs duties in Afghanistan's economy.
- Working in teams (female and male) to conduct an exploratory interview with an employee at the counterpart, Chemonics, and USAID or a leader in trade and commerce. Interviews may include challenges and progress of Afghan women in the government and workplace or the interviews may include discussion on the person's job duties, experiences, and accomplishments.
- Working in teams (female and male) to develop, with support of ATAR communications department, posters or other outreach materials that promote gender awareness, combat corruption, or highlight benefits of certain trade agreements such as WTO.
- Contribute to social media where applicable created specifically for the internship as a group to highlight aspects of their formal and informal activities, promote team spirit, and familiarize them with social media.

While the interns will be embedded at the counterpart for the entire week, they will participate in general capacity-building courses provided by Chemonics staff where possible, including those targeted at improving general writing, presentation, managerial, or office skills.

With the internship program geared toward women, ATAR's national gender specialist and an expatriate short-term gender specialist will conduct gender awareness sessions and sessions on harassment-free work environments with the male and female interns, hold regular sessions for female interns only, and ensure the female interns feel comfortable in relaying any specific concerns. They will also support all of the interns in assigned gender-awareness activities.

The final weekly meeting of the internship program will include a wrap-up in which interns share the major points of their professional and personal experiences during the program and offer their suggestions for future programs. The interns will complete a questionnaire at this final weekly meeting to gauge improvements in their knowledge and skills and their understanding of gender issues; the short-term expatriate gender specialist and local gender specialist and youth specialist will develop the survey with the support of the ATAR monitoring and evaluation department. The interns

will be encouraged to maintain contact with ATAR staff as they continue their professional career and to return to share their experiences with the next set of interns.

Intern Hiring

ATAR will work with the civil society Afghan Women's Business Federation (AWBF), USAID's Women in in Government (WIG) project, and the counterparts, to try to develop a program more conducive to transitioning qualified female interns into permanent government positions. ATAR will work to partner with AWBF and WIG and encourage counterparts to hire women who have excelled during the internship program.

While ATAR will advocate to counterparts for the transition of exceptional women interns to permanent positions wherever possible, we recognize that the counterparts may opt to recruit outside of the intern pool to hire individuals with requisite AWB training and the primary focus on the internship program will be on providing a high-quality professional and personal experience to the interns.

3. Trade Training

Analysis

Over the past two years, ATAR has worked to include women in its public events and training, which cover issues ranging from statistical analysis and legislative reform to access to finance and South Asian business opportunities. ATAR targeted female government officials with specific expertise for technical training activities such as working groups regarding the Law on Food Safety, and ATAR encouraged the participation of interested businesswomen in more general awareness events such as export promotion opportunities in South Asia.

While ATAR has exceeded targets for indicator 40 "Number of public events held to discuss trade and business policy matters with stakeholders, the public and private sector"; indicator 11 "Number of awareness events held targeting the private sector"; and indicator 37 "Person hours of training completed in trade and investment enabling environment supported by USG assistance," the project will strive to increase the number of women attending public events and trainings over the remaining two years. These indicators are measured by total number of events but are also disaggregated by gender.

ATAR plans to increase the percentage of women attending its public events, training, and awareness sessions to an average of 25 percent by strengthening networking relationships with women's organizations and providing training to target specific groups of businesswomen and female entrepreneurs.

Action Plan

In Years 3 and 4, ATAR will work to build the capacity of our government counterparts, women entrepreneurs and traders, and businessmen and businesswomen through targeted trainings and capacity building assistance to further foster international trade and the advancement of women in business.

ATAR will strengthen its relationship with Afghan Women's Business Federation (AWBF), the Self Employed Women's Association (SEWA), other Afghan women's association, local universities, and USAID and donor projects to identify female entrepreneurs and businesswomen interested in attending trade-related training of the project and counterparts. For example, ATAR plans to partner with ACD and the Afghanistan Revenue Department to support taxpayer awareness and education events. ATAR will work with the government counterparts and women's organizations to ensure interested businesswomen are active participants in these events – increasing their understanding of Afghanistan's trade environment and their capacity to contribute to public-private dialogue on trade issues.

In addition to increasing the number of interested and qualified women attending its public events and general trade awareness trainings, ATAR will provide training for female-only audiences on specific subjects related to trade, customs, and exports. ATAR aims to provide a comfortable environment for the women in which to learn, exchange ideas and challenges, and ask questions. ATAR's local gender specialist will attend these trainings to develop a personalized relationship with the women to

maintain contact with them and support them in the future with any professional challenges they may have.

ATAR also proposes to partner with Turquoise Mountain, a non-governmental organization supporting Afghan artisans, USAID's Assistance in Building Afghanistan by Developing Enterprises (ABADE), and SEWA to work with female jewelry entrepreneurs to build their capacity in export promotion. Many talented Afghan women work in the areas of gemstone cutting, gemstone polishing, and artificial jewelry, and there is solid demand for both precious stones and artificial jewelry in India. ATAR will work with partners Turquoise Mountain, SEWA, and ABADE to provide the Afghan female entrepreneurs with training in making their products ready for export, understanding market demand in India, and negotiating export deals.

ATAR will also explore a partnership with the American University of Afghanistan (AUAF) on training to build the trade capacity of Afghan women. Afghan women businesses often have more difficulty in accessing markets and finance compared to their male counterparts. Against this backdrop, ATAR proposes to organize a three- to six-month training program that will make a group of 50 to 100 businesswomen export-ready. The training will include topics such as selecting a product for export, developing a business plan, identifying international buyers, and obtaining finance for the business.

ATAR will continue to leverage technical expertise in areas like food safety, phytosanitary measures, customs procedure, etc. to deliver in-house trainings to male and female traders in relevant sectors at the Baron compound.

4. Trade Events

Analysis

Afghan men and women share common constraints to full participation in the Afghan economy, but some constraints have a greater impact on women. Women participating in the economy continue to face unique challenges in creating and making use of formal business networks and in participating in business events. Women face restrictions on mobility, limited access to resources, markets, employment venues, difficulty competing with international traders and export companies, financial limitations, and a lack of institutional support.

In an effort to help women overcome these challenges, ATAR has worked over the past two years to ensure female representation in local and international trade events to expose businesswomen to new markets and opportunities. Businesswomen have been part of Afghan delegations to events such as:

- Business-to-business event with Kazakh, Kyrgyz, Pakistani, and Tajik representatives in Dushanbe, Tajikistan, in June 2014
- Gulfood Exhibitions in Dubai, United Arab Emirates, in February 2014 and February 2015
- Stone Mart in Jaipur, India, from Jan. 28-Feb. 1, 2015
- Central Asia Trade Forum in Oct. 29-30, 2014, in Almaty, Kazakhstan
- 19th International Craft Selling Exhibition-L'Artigiano in Milan, Italy, from Nov. 29-Dec. 8, 2014.

ATAR will continue to facilitate participation of Afghan traders in local and international trade events where possible, with a focus on increasing the number of female traders participating in the activities to reach at least 25 percent participation.

Action Plan

ATAR will continue to promote a gender-centric trade strategy by including groups of women in trade exhibitions and trade fairs where possible. ATAR will leverage its relationship with AWBF, SEWA, and Turquoise Mountain to identify qualified female entrepreneurs and businesswomen who could benefit from exposure to international markets but may not have the financial means to participate in trade events. ATAR will work these women to prepare them for international events and possibly sponsor their participation. ATAR will work closely with the women to help them promote their products, create relationships with potential buyers, understand global product requirements, and forge business deals.

In addition to trade events, ATAR will arrange roundtables with influential businessmen and businesswomen for open discussions on gender in the trade sector. The focus will be on building partnerships between and among men and women in the trade sector, encouraging female leadership and entrepreneurship, male-female partnership, solidarity, and mutual respect. These sessions will be designed to culminate in specific actions that participants will implement to promote more egalitarian and actualized relationships among women and between women and men in the same trade sectors. ATAR will also conduct focus groups with women and men involved in the trade sector and customs to collect information on the experiences and needs of traders in Afghanistan.

5. Gender Awareness and Advocacy

Analysis

ATAR's national gender specialist has conducted gender awareness sessions for project staff, ACD, and the Afghanistan National Customs Academy (ANCA) during the first two years of the project. ATAR's gender awareness training was focused on USAID and Chemonics' policies regarding gender and gender sensitization, while the training conducted for ACD and ANCA was focused on CSC guidelines for gender integration. ATAR also conducted a train-the-trainer training for ANCA trainers on gender awareness and helped them develop training to incorporate in ANCA curriculum. ATAR will expand on these one-time trainings in the next two years to offer a more robust approach to raising awareness and changing attitudes among both men and women.

Action Plan

For women's economic potential to be realized in full, ministries and their strategies must be fully oriented towards the Afghanistan National Development Strategy and all principles of the National Action Plan for the Women of Afghanistan. ATAR recognizes that comprehensive gender integration may be a new area of intervention for some counterparts. As such, in order to successfully initiate change, increasing understanding and awareness of gender equality issues within the trade sector in Afghanistan will be imperative. ATAR will deploy a home-office gender expert to work on a formal gender assessment and advocacy campaign.

ATAR will field a short-term expatriate gender expert who will lead, with the support of ATAR's gender team, in-depth gender awareness sessions to project staff and ACD and will also conduct the sessions for ATAR's other counterparts, such as MOCI, ANSA, and EPAA. In addition, ATAR will conduct sexual harassment sessions under the applicable sexual harassment policy in place. ATAR will also work closely with the WIG project to develop and set in place gender awareness raising courses for decision, and lawmakers, planners and program managers, statisticians, and other key officials in ATAR counterpart ministries.

To ensure continued success in gender beyond the life of the project, ATAR will critically appraise its counterparts to identify gaps and areas for continued improvement. ATAR will work to provide counterparts with a variety of practical "how to" guides, including tools such as checklists, case studies, and training modules, that will assist in the identification of relevant entry points for continued support towards gender equality. ATAR will identify "Champions of Change" in each counterpart ministry to begin the discussion on including women more fully in the formulation of trade policy and to provide training and mentorship.

ATAR will use surveys and interviews to collect information and produce reports on the status of gender integration in the trade sector and in the workplace at relevant counterpart ministries. ATAR will conduct self-assessments with female participants designed to measure self-efficacy at the conclusion of ATAR supported training and programming.

ATAR will explore a partnership with the Ministry of Women's Affairs to support the trade sector in reviews of major trade policies and programs from a gender perspective, an assessment of gender tools, mechanisms, and approaches currently being used in government, and the implementation of affirmative action and sexual harassment policies in the trade sector workplace.

C. GENDER-RELEVANT INDICATORS

ATAR currently has five gender-relevant indicators, and is proposing to include gender disaggregation or add new indicators for a total of 15 gender-relevant indicators:

11. Number of awareness events held targeting the private sector (disaggregated by participant gender)
37. Person hours of training completed in trade and investment enabling environment supported by USG assistance (disaggregated by gender-specific trainings and by participant gender)
40. Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector (disaggregated by participant gender)
43. Number of permanent professional positions allocated for women within MOCI, ACD, ANSA, MAIL, and MOPH
44. Number of interns completing a six-month internship in GIRoA

New or Revised:

13. Change in public perception towards trade (responses disaggregated by gender)
19. Number of firms receiving USG capacity building assistance to export (disaggregated by women-owned firms)
20. Estimated self-reported value of new deals by ATAR-supported participants in trade events (disaggregated by women-owned businesses)
39. Percentage of participants reporting increased knowledge and skills in trade, transit, or customs (disaggregated by participant gender)
41. Number of consultative processes with private sector as a result of U.S. government assistance (disaggregated by women-owned businesses)
42. Percentage of females who report increased self-efficacy at the conclusion of USG supported training/programming (GNDR 3 F-indicator)
45. Percentage of Afghan long-term female staff employed on ATAR
46. Percentage of participants reporting increased agreement with the concept that males and females should have equal access to trade [social, economic, and political] opportunities (GNDR 4 F-indicator)
47. Percentage of participants reporting increased understanding and knowledge of gender-related issues in trade
48. Number of outreach materials developed and disseminated on gender-related issues in trade, transit, or customs

The table below shows targets and results against the five current indicators over the past two years, disaggregated by men and women.

No.	Indicator	Targets for past two years (Nov. 2013-Nov. 2015)	Results for past two years (Nov. 2013-Nov. 2015)	Percentage of women
11	Number of awareness events held targeting the private sector	5	30 events (561 participants including 416 men and 145 women)	25% women

37	Person hours of training completed in trade and investment enabling environment supported by USG assistance	30	148 (2,771 participants, including 2,253 men and 518 women)	18.6% women
40	Number of public events held to discuss trade and business policy matters with stake-holders, the public, and the private sector	15	209 events (2,291 participants including 1,935 men and 356 women)	15.5% women
43	Number of permanent professional positions allocated for women within ACD that have been staffed	100	0	N/A
44	Number of female interns completing a six-month internship in ACD	40	17 interns, including 4 men and 13 women[5]	23.5% women

ATAR proposes adjustments to certain indicators to better reflect project activities. ATAR proposes to USAID a change in wording in indicator 44 "Number of female interns completing a six-month internship in ACD" to "Number of female interns completing a six-month internship at the Afghan government" with a target of 60 females or changing wording to "Number of female and male interns completing a six-month internship at the Afghan government" with a target of 100 interns. This would measure progress of the entire ATAR internship program at all government counterparts, rather than focus solely on ACD.

In addition, given the limitations the project faces in the actual recruiting and hiring at government counterparts, ATAR proposes to USAID a change in indicator 43: "Number of permanent professional positions allocated for women within ACD that have been staffed." ATAR proposes the indicator be changed to "Number of permanent professional positions allocated for women within MOCI, ACD, and ANSA that have been staffed" and designated "tracking only"6 from a target of "175." This change would reflect ATAR's internship program at all of its counterparts and take into account that progress in this indicator occurs at a high-level with the concurrence of a variety of government counterparts.

5 These results include only ATAR's first internship program; its second internship program is in process.

[6] According to ATAR's contract: "Indicators used for tracking purposes only show at a higher level whether efforts in the sector by many contributors are producing results. Changes in these indicators cannot be attributed to the efforts of one donor only and can be caused by factors outside the control of any one donor."

D. KEY LESSONS LEARNED

- ATAR must expand recruiting and advertisement efforts for its internship program from general employment websites to include exposure at Ministry of Women's Affairs, local universities, and women's associations to reach more qualified, interested women.
- ATAR must increase efforts to create a quality internship program that takes the female and male interns on a journey of professional and personal growth that will improve their technical and individual capacity and raise their gender awareness.
- ATAR must strengthen relationship with women's associations, CSC, counterparts, and donor project to coordinate and leverage efforts related to gender training, internship programs, and hiring at government counterparts.
- ATAR must increase female participation in public events and training, with an emphasis on finding interested and quality candidates to accomplish the goal rather than simply fulfilling a quota.
- ATAR must have gender-relevant indicators, targets, and plans that are feasible yet push the project to progress in reducing gender disparities.
- ATAR must expand upon one-time gender awareness trainings to include a more robust and cohesive approach to rectifying gender disparities and changing outlooks on gender at the project and the project's counterparts.

USAID
FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

Mid-Term Sustainability Analysis
November 7, 2013 – November 6, 2015









December 6, 2015

This mid-term sustainability analysis is made possible by the support of the American People through the United States Agency for International Development (USAID/Afghanistan). The contents of this sustainability analysis are the sole responsibility of Chemonics and do not necessarily reflect the views of USAID or the United States Government.

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ACRONYMS

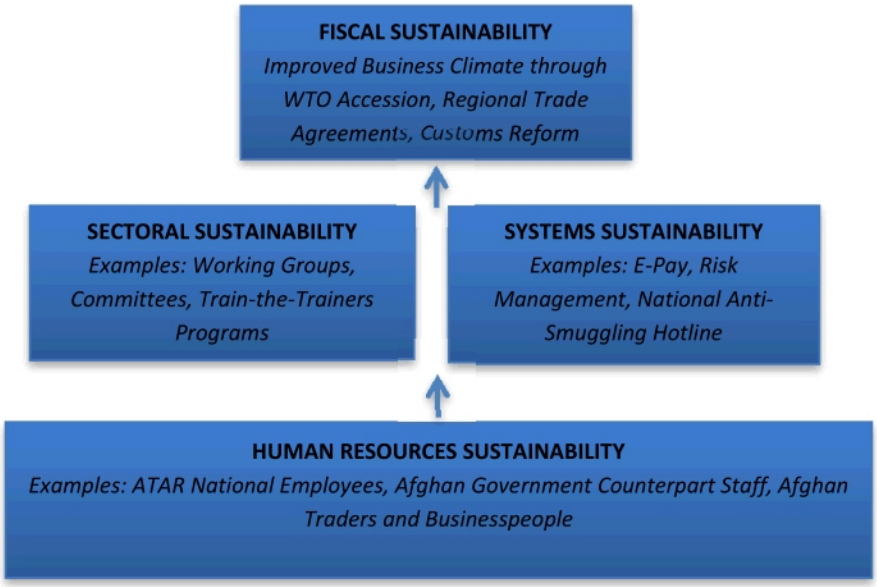
ACD	Afghanistan Customs Department
ANSA	Afghanistan National Standards Authority
ASYCUDA	Automated Systems for Customs Data
ATAR	Afghanistan Trade and Revenue Project
CSO	Central Statistics Organization
EIF	Economic Integration Forum
EPAA	Export Promotion Agency of Afghanistan
MAIL	Ministry of Agriculture, Irrigation and Livestock
MOCI	Ministry of Commerce and Industries
MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOPH	Ministry of Public Health
MOTCA	Ministry of Transport and Civil Aviation
MOU	Memorandum of Understanding
SAFTA	South Asia Free Trade Area Agreement
TAFA	Trade Accession and Facilitation for Afghanistan Project
TBT	Technical Barriers to Trade
TPAU	Trade Policy Analysis Unit
WTO	World Trade Organization

A. OVERVIEW

Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project, which began November 2013 and will end November 2017, to support Afghanistan in realizing its full potential in the global trading market. ATAR's contract with USAID states "the sustainability of all activities after the end of the project is a top objective of the USAID/Afghanistan Mission and is especially critical for the project which will build capacity for vital aspects of economic reform."

Whether pairing expatriate consultants with Afghan professionals or preparing Afghans to lead negotiations on market access and implementation of trade reforms, the ATAR team recognizes that sustainability is the ultimate measure of the project's success. This "Mid-Term Sustainability Analysis" addresses ATAR's contractual deliverable of a "sustainability analysis at the mid-point of the contract to determine if measures to ensure the sustainability of changes introduced by the project are providing the desired results and to propose changes and new approaches."

In support of sustaining project results, ATAR has focused internally on implementation activities as well as externally on its counterparts, including government officials and businesspeople, over its past two years of implementation. ATAR has adopted a multi-pronged strategy outlined in the chart below. ATAR has worked to develop the human resources of the project as well as government and private-sector counterparts through targeted capacity building on diverse topics ranging from project management and writing skills to food safety and trade negotiations. Supplementing individual capacity building, ATAR has built sectoral sustainability in areas ranging from legal reform to product standards through technical working groups and committees that demand analysis, dialogue, oversight, and consensus from a broad base of stakeholders. In tandem with development of this sectoral capacity, ATAR has focused on the implementation of systems, including risk management and electronic payment of customs duties, that institutionalize best practices and limit human intervention that may lead to corruption. These three main focuses of sustainability – human resources, sectoral, and systems – are helping to build the foundation for the longer-term goal of Afghanistan's fiscal sustainability through a liberalized trade regime and improved customs administration.



In line with the chart above, this analysis begins with ATAR's sustainability efforts in the area of human resources at the project, specifically to prepare for Afghanization of management positions in the fourth year. The report continues with sustainability efforts at counterparts, beginning with human resources, moving to sectoral and systems sustainability, and ending with the overall objective of financial sustainability. The analysis ends with challenges and recommendations for the project's remaining two years of operation.

B. ACTIVITIES TO ADDRESS SUSTAINABILITY

1. Project Sustainability

ATAR has prioritized the professional and personal development of its local staff over the past two years and is committed to nationalizing top positions in its fourth and final year. The "Local Capacity Development" clause C.4.1 of ATAR's award contract states: "Chemonics will support its senior local staff to develop their skills such that they are able to take over the role of senior expat staff by the final year of the project. The contractor must ensure that at least three senior local staff transition to assume the duties of an expat by the fourth year of the project."

In line with ATAR's commitment to Afghanization, the below expatriate positions are poised to be filled by senior Afghans in the project's Year 4.

No.	Position	Expatriate	Afghan
1	Chief of Party	François-Jude Pépin	Safir Sahar
2	Compliance Officer	Van Carlton	To be determined
3	Component 1 Team Leader	To be determined	Sayed Khalil Bahrami
4	Component 2 Team Leader	Sunirmal Ray	Shoukatullah Khurram
5	Component 3 Team Leader	Chris Lawson	Zakria Momand
6	Communications Director	Denise Duclaux	Rajawuddin Dakhunda

By the end of the project's Year 2, ATAR had identified specific Afghan employees as candidates for these expatriate positions in light of their qualifications, experience, performance, and technical and managerial skills. In the project's Year 3, ATAR's expatriate staff members will work with the designated Afghan employees, focusing on knowledge transfer and mentoring, to start preparing them for the eventual handover of duties. In August 2016, three months prior to the expatriates' departure by November 6, 2016, the selected Afghan staff will assume responsibility for the senior positions, under the close daily supervision of the senior expatriate. Expatriate staff will continue in their respective roles, but they will play a supporting and mentoring role to allow the Afghan staff to build their confidence and adjust to being the future leaders of the project. The transition will be effective with the planned departure of the expatriate in November 2016.

In addition to planning for the transition of certain Afghans to senior expatriate positions, ATAR has worked to develop the capacity of project staff as a whole to ensure the sustainability of the project in the final year and to equip national staff with the skills to contribute to Afghanistan's development after the project ends. The terms of reference for all expatriates include an expectation that they work closely with local staff and counterparts to maximize transfer of knowledge in their areas of expertise. Each activity in ATAR's annual work plan pairs an expatriate staff member and an Afghan staff member who work in partnership. In two examples of the project's success in capacity building of its local staff, ACD recently recruited ATAR's Customs Specialist, Mr. Zobair Qasimzadeh, for a key ACD senior management position, Director of Operations, and USAID recruited ATAR's former Component 1 Deputy Team Leader, Mr. Khalid Yousufi, for the position of Project Management Specialist in the USAID Office of Economic Growth and Infrastructure.

In addition, ATAR's managers have worked with their staff members to utilize a combination of several resources made available by Chemonics to ATAR, mostly by its Afghanistan Building Capacity program (ABC) and its project lifecycle manuals.

The ABC Learning Plan offers several opportunities at multiple levels for skills development, including:

1. Chemonics' training fund for:
   a) language training;
   b) professional development training at a recognized institution in Afghanistan.

2. Training courses provided by ABC and selected as per learning objectives in:
   a) Leadership and management: e.g. leadership, team building, communications, time management, performance management;
   b) Project management: e.g. procurement, finance, grants, monitoring and evaluation, project management, USAID rules and regulations; and
   c) Cross cutting: e.g. writing, presentation, task management, gender.

3. Chemonics' array of practice manuals, ranging from editing to the role of chief of party.

2. Counterpart Sustainability

ATAR works with ministries, government-related entities, and the private sector to build capacity and empower Afghans to take ownership of activities, maintain results, and extend impact beyond the life of ATAR. Over the past two years, ATAR has targeted individual capacity building to build the sustainability of human resources at its counterparts, developed sectoral capacity that allows for agreement from a broad base of stakeholders on trade-related reforms, and implemented sustainable systems that facilitate trade and limit human intervention. The efforts contribute to the overall objective of the fiscal sustainability of Afghanistan through a liberalized trade regime, regional integration, and customs reform.

ATAR Counterparts and Beneficiaries

- Ministry of Commerce and Industries (MOCI)
- Afghanistan Customs Department (ACD)
- Afghanistan National Standards Authority (ANSA)
- Ministry of Justice (MOJ)
- Ministry of Agriculture, Irrigation and Livestock (MAIL)
- Ministry of Public Health (MOPH)
- Ministry of Transport and Civil Aviation (MOTCA)
- Ministry of Information and Culture (MOIC)
- Export Promotion Agency of Afghanistan (EPAA)
- Traders, exporters, businesspeople, transporters

2.1 Human Resources Sustainability

ATAR regards continuous support and mentoring of counterparts in all activities as the key to success and sustainability. Over the past two years, the project has strived to cultivate Afghan ownership and commitment, rather than having ATAR advisors complete activities for the Afghan counterpart. ATAR has aimed, where possible, to work with government counterparts to provide on-the-job training to enable them to perform particular functions or to improve relevant skills that will benefit the Afghan government long after the project ends.

In line with this approach, ATAR's annual work plan is approved by top management at MOCI and ACD, the project's two primary counterparts. For project activities related to the Afghan government, ATAR's staff works in partnership with key responsible government employees. Those government employees assume responsibility to implement the activity in coordination with ATAR with the expectation that they will continue relevant activities after the project's completion. ATAR expatriate and local staff had been embedded at MOCI, ACD, EPAA, and MOJ during the majority of the week in the project's first year to work directly with the counterparts. During the second year, deteriorating security limited the amount of time the ATAR's expatriate staff, and to a much lesser extent the local staff, were embedded. In cases where ATAR expatriates were unable to be at the counterparts due to security challenges, the project invited government employees to the Baron for training and meetings.

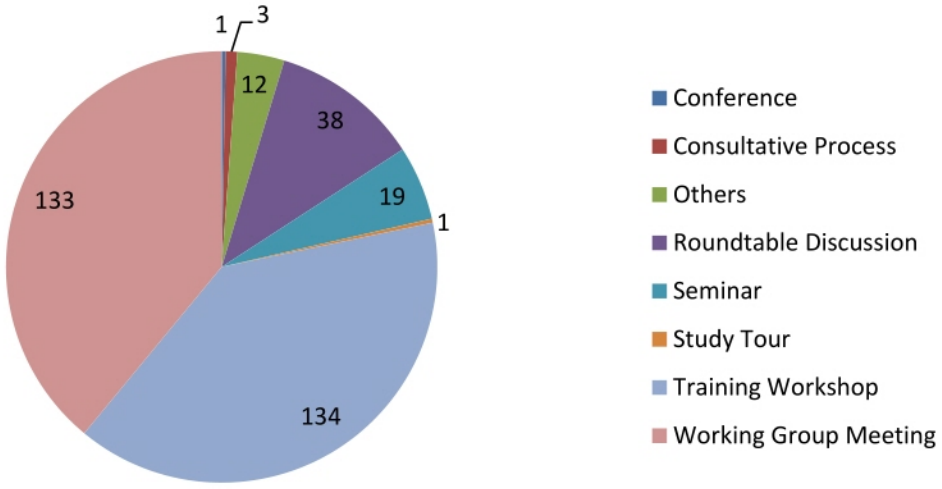
In one example of project staff working in partnership with a government focal point at MOCI, an ATAR consultant for WTO awareness worked with the trade expert of MOCI's WTO unit to jointly deliver three awareness sessions to academia, government officials, and the private sector in September 2015; the trade expert delivered the final presentation largely on his own, with limited support from ATAR. These initial presentations are preparing the WTO Unit, with ATAR's assistance as necessary, to deliver WTO

awareness sessions in the third year to targeted audiences in the region and to enable the unit to serve as a hub for WTO information following Afghanistan's accession to WTO. In addition, staff at MOCI's Trade Policy Analysis Unit (TPAU) trained by ATAR have presented on trade policy issues with minimum guidance, and staff of MOCI's Afghan Central Business Registry-Intellectual Property (ACBR-IP) have presented on implementation mechanisms related to intellectual property trademarks and geographical indications.

At EPAA, as well, ATAR's expatriate and national staff worked closely with EPAA's marketing director to prepare for Afghanistan's participation in Expo Milano 2015 and other trade fairs and business-to-business events. As a result, EPAA's marketing director ran the Afghan pavilion successfully from the start in May 2015 through the conclusion of the event in October 2015 in Milan, Italy. EPAA, on its own, is already planning the Afghanistan pavilion at Expo Astana 2017 in Astana, Kazakhstan.

In addition to on-the-job training and a collaborative approach to activities, ATAR has held awareness and training seminars, covering issues ranging from statistical analysis and legislative reform to access to finance and South Asian business opportunities, to build the capacity of government employees as well as local traders, exporters, and transporters. ATAR has held more than 340 training events over the past two years, including seminars, conferences, consultative processes, roundtable discussions, study tours, training workshops, and working group meetings.

ATAR Training Events in Years One and Two



ATAR has also facilitated Afghanistan's participation in about 25 international events, supporting traders in preparing for the events, negotiating deals worth millions, forging long-term business relationships, and gaining a foothold in new markets.

2.2 Sectoral Sustainability

Broad-based stakeholder ownership and leadership are essential to ATAR's success in achieving its technical objectives and sustaining successful results. In light of this, ATAR has worked to build sectoral

sustainability so that a diverse array of stakeholders, including government institutions and private-sector representatives where possible, are capable of working together and achieving consensus to fulfill functions in technical sectors such as WTO accession, trade policy analysis, and risk management.

ATAR has supported the development of working groups for the majority of the legal reforms necessary for WTO accession. ATAR educates working group members, including private- and public-sector representatives as well as academics, on the provisions of WTO agreements and related international standards, recommendations, and guidelines and provides models sharing the experience of other countries. The working groups use these guiding documents in developing and/or amending legislation.

The working groups meet on a regular basis to develop and review each law, which is often comprised of multiple complex articles and concepts that are new to Afghanistan. After lengthy consultation, the working groups produce a final draft law that proceeds through Afghanistan's legislative process – starting from the sponsoring ministry and eventually ending with President Ghani. In addition to developing and reviewing the draft laws, the working groups, with ATAR assistance, develop the procedures and regulations that are implemented on a daily basis and support overall implementation of the laws.

As a result of ATAR's efforts, more than 130 working group meetings, including members of the public and private sectors, have convened to draft or reform trade-related legislation, and the Afghan government has made significant progress in advancing the WTO-related reforms (see text box).

Progress in WTO-Related Legislative Reforms

Among the Afghan government's top achievements in WTO trade-related legislative reform since ATAR began:

- President Ghani endorsed amendments to the Law on Trademarks and the Law on Geographical Indications;
- the Cabinet approved the Law on Industrial Designs;
- the Parliament's Upper House approved the Law on Plant Protection and Quarantine;
- the Law on Safeguards and the Law on Topography of Integrated Circuits were added to MOJ's legislative plan; although not on the Afghan year 1394 agenda, MOJ agreed to consider the Law on Standards and Technical Regulations;
- the Law on Patents and the Law on Trade Secrets proceeded from MOJ to the Council of Ministers;
- the Ministry of Finance and ACD approved the Procedure on Advance Ruling on Binding Decisions.

In addition to engaging stakeholders to ensure understanding, agreement and ownership of trade-related legislation, ATAR has used a similar participatory approach to customs reforms. In June 2015, ATAR initiated ACD's risk management working group, which is tasked with identifying specific areas where risk management is not working effectively and with implementing changes to improve risk management. The risk management work group has analyzed information for Jalalabad and Herat and proposed to the Risk Management Committee changes to risk profiles to better target non-compliant trade. Also with ATAR support, ACD organized a post clearance audit (PCA) working group in June 2015 that was charged with developing ACD's PCA Department in accordance with international best practices. Additionally, ATAR is encouraging ACD to implement a compliance strategy, which will include the development of an internal audit unit to improve and oversee organizational compliance and a professional standards unit to tackle corruption within the organization.

In an effort to provide Afghanistan with reliable trade-related data and statistics, ATAR supported ACD

and the Central Statistics Organization (CSO) in a collaboration to harmonize trade-related data between the two organizations. With guidance and support from ATAR, ACD and CSO signed a memorandum of understanding (MOU) in March 2014 that promotes cooperation in the area of import and export statistics for Afghanistan. According to the MOU, CSO will get information on import/export statistics from ACD on a monthly basis and process this information in accordance with the CSO reporting structure. This mechanism has narrowed the gap in import statistics from over 30 percent two years ago to less than 10 percent presently.

ATAR has also supported the continuous improvement of stand-alone units within government counterparts to ensure the Afghan government has the ability to perform routine activities after the completion of the project. At MOCI, ATAR works closely with MOCI's WTO Unit and its TPAU, both established by USAID's predecessor project, the Trade and Accession Facilitation for Afghanistan (TAFA) project. Building upon the foundation created by TAFA, ATAR over the past two years has worked with these core groups of government employees – equipping the WTO Unit with the ability to undertake activities necessary to prepare for WTO accession and building the capacity of the TPAU to conduct trade policy analyses that will lead to informed trade policy decisions.

As a result of ATAR's support, the WTO Unit has been able to fulfill tasks necessary for Afghanistan's journey to WTO accession. In the remaining two years, ATAR will turn its focus to preparing the WTO Unit for post-WTO accession functions. Due to ATAR's training, the TPAU has the knowledge and analytical skills to conduct research, collect data, and perform basic analyses of trade and production data to identify sensitive goods and assess the impact of trade liberalization. With minimum guidance from ATAR, the TPAU has performed analyses to identify sensitive goods and make proposals for deeper and broader trade liberalization. Lastly, ATAR developed the capacity of the TPAU to lead the effort in preparing periodic and annual trade policy reviews.

ATAR also adopts a broader "train-the-trainer" approach to sectoral sustainability that will help combat the impact of staff turnover. ATAR has aimed, where possible, to train an adequate number of officials to be able to perform particular functions and enabled them to pass their skills onto co-workers. With ATAR support, trainers from the government and academia held trainings in October 2015 on general principles of food hygiene for a total of 80 government employees and students. The trainers had participated in ATAR's "train-the-trainers" course on general principles of food hygiene; these trainings will help support the implementation of the Law on Food Safety, which is a requirement under WTO.

In support of the sustainability of customs activities, ATAR has developed training modules and trainers' notes ranging from broad management topics to specific technical areas in customs for the Afghanistan National Customs Academy (ANCA). To ensure sustainability and build the capacity of existing ACD staff to become trainers, ATAR has initiated a comprehensive training plan. ATAR began delivering training on basic presentation skills to ACD officers from various directorates. After completion of this training, individuals will attend workshops on how to deliver the ATAR training modules in their specific area of expertise. Those ACD staff who successfully complete phases one and two will deliver those courses to other ACD staff.

In additional efforts toward sectoral sustainability, ATAR has developed course materials for introducing local educational institutions to topics such as food safety and plant protection. In 2015, ATAR shared a draft syllabus and curriculum for a course called "Introduction to Food Safety" with Kabul University and the National Agricultural Education College for feedback. The course will help provide Afghanistan with specialists to implement the Law on Food Safety. In 2015, ATAR also shared a draft syllabus for a course called "Afghanistan Agriculture Import/Export Markets and Plant Health Standards" with Kabul University and MAIL's Plant Protection and Quarantine Department to solicit their feedback. The course will help provide Afghanistan with the specialists needed to implement sanitary and phytosanitary laws such as the Law on Plant Protection and Quarantine.

2.3 Systems Sustainability

ATAR has supported the implementation of systems at government entities that can withstand the effects of staff turnover, limit human intervention where possible, and institutionalize international best practices. ATAR works to sustain systems through training officials to operate, update, and expand upon the system with minimum support; building the capacity of those officials to train others; providing user and operational manuals as needed; and working with the Afghan government to create a legal basis for requiring the system, if necessary.

In one of the most notable examples of institutionalizing best practices, ACD and Da Afghanistan Bank (DAB) brokered an agreement facilitated by ATAR that led to the pilot implementation of the electronic payment of customs duties at Hamid Karzai International Airport and Kabul Inland Clearance Depot. The system will be rolled out to customs sites across the nation. Using E-Pay, traders can pay customs debt at any commercial bank operating in Afghanistan rather than paying the duties in cash at the customs site processing the imports. The system is expected to fully automated in 2016.

ATAR has also worked closely with ACD on the effective implementation of risk management, which relies on the Automated Systems for Customs Data (ASYCUDA) to channel goods to a physical examination, a documentary review, or immediate release. This automated approach to the clearance of imported goods is based on an objective prior assessment of the goods and/or importer and reduces interaction between customs officials and importers that may lead to corruption.

In addition, ATAR has assisted ACD in implementing a national anti-smuggling hotline. The hotline will allow members of the trading community, the public, and customs officers to provide information anonymously. ATAR and ACD have installed and tested the system; ACD is expected to publicly launch the hotline, which has the ability to record messages 24 hours/seven days a week, by the end of the year.

At the Afghanistan National Standards Authority (ANSA), ATAR built the capacity of ANSA to operate an enquiry and notification point related to technical barriers to trade (TBT) and assisted in advancing a mechanism for inter-ministerial coordination and cooperation regarding the enquiry and notification point. Under the WTO Agreement on TBT, a member government is required to notify other countries of new or changed TBT-related measures and must respond to requests for information on new or existing TBT-related measures, such as technical regulations, standards, and conformity assessment procedures.

2.4 Fiscal Sustainability

Almost all of ATAR's activities are focused on the long-term financial sustainability of the Afghan government, with the government only fully realizing the benefits of many of the current activities in the following years. These activities include strengthening the country's trade-related legislative framework, ratifying and implementing international and regional trade agreements, and streamlining trading and customs procedures and requirements in line with international standards. These efforts are laying the foundation for increased trade and revenue for the government and the private sector.

In order to set the stage for thriving businesses and increased investment in the country, ATAR has worked in close partnership with the Afghan government to create a liberal trade-friendly environment; Afghanistan, for example, has made substantial progress in progressing WTO-related legislative reforms (see page 11). This, in turn, is helping Afghanistan to prepare for WTO accession.

Afghanistan is in its final stage of WTO accession and its accession package is poised for final adoption by WTO Ministers in December 2015. WTO accession will increase the competitiveness of the country's goods and services domestically and abroad. Fiscal revenue is likely to increase as result of enlargement of the tax base given increased investment and economic activities. WTO accession will also provide continuous oversight, engagement, and review of Afghanistan's trade policies and agreements in line with WTO agreements and best practices.

Boding well for Afghanistan, WTO accession has proven to be beneficial to least developed countries (LDCs). Comparisons of investment, economic growth and personal income in other LDCs and developing countries show faster rates of growth after WTO accession. In no case has a country been worse off after WTO accession.

Regional trade agreements are also contributing to the fiscal sustainability of Afghanistan. ATAR, for examples, has supported the Afghan government in this implementation of South Asian Free Trade Area (SAFTA) agreement over the past two years. ATAR supported the Afghan government in the notification of non-tariff barriers and proposals for reduction of sensitive lists. SAFTA provides greater opportunities for exports in the country, leading to increases in real income and tax base. In a sign of SAFTA's success, exports of Afghanistan increased more than 40 percent in the first quarter of 2015 compared to the same period of 2014. The value of exports to SAFTA countries almost doubled, reaching almost 70 percent of Afghanistan's total exports. In the first quarter of 2015, imports of Afghanistan increased about 25 percent compared to the same period of 2014. Pakistan, India, and China are the top three importers of Afghan goods.

Customs reforms are also setting the stage for an improved trade environment that leads to greater revenue. To improve tax collection and trade facilitation, ACD implemented a number of initiatives with ATAR support. USAID's TAFA introduced streamlined procedures at all inland customs depots to ensure uniformity. ATAR continues to work with ACD to encourage adherence to the original decree and address additional steps. In addition, ATAR is working with ACD to implement PCA in line with international best practices. With the PCA, ACD will move away from a "gatekeeper" approach at the borders to the more efficient and modern approach of auditing traders' records at their offices to determine present and future compliance. In addition, ACD's establishment of an internal audit unit, agreed upon following a proposal by ATAR, will see a more effective and efficient organization that will

better target non-compliance. These initiatives will encourage compliance, good business ethics, and facilitate trade between Afghanistan and the rest of the world.

C. CHALLENGES/RECOMMENDATIONS

SIVs

ATAR's plan to transition Afghans to key roles is challenged by the increasing number ATAR Afghan personnel leaving or preparing to leave the project under the Special Immigrant Visa (SIV) program. About ten ATAR employees, ranging from those in senior positions such as the former Deputy Chief of Party (who had been slated to become Chief of Party) to those in mid-level positions such as Translator/Interpreter, departed the project over the past two years under the SIV. About ten more national employees at the project are in some stage of the SIV process. In order to better prepare for a smooth transition when a staff member leaves, ATAR has begun requesting that Afghan staff inform the project if they are in advanced stages of the SIV process to enable the project to advertise for the position as early as possible. Due to the SIV issue, ATAR cannot reasonably commit to successfully transitioning any specific Afghan to a particular position, but the project will continue to implement the plan to the best of its abilities given the situation. ATAR will proceed to identify, mentor, and evaluate Afghan employees in support of transition.

Counterpart buy-in

ATAR has worked closely with government counterparts to develop work plan activities over the past two years and began requesting a formal approval from senior management on the plan in the second year. ATAR also began providing ministers, deputy ministers, and director generals with regular progress reports to keep them updated on activities. These efforts have helped to ensure buy-in and ownership of project activities. In the remaining two years, ATAR will continue to actively involve and update management of counterparts. In an effort to further increase involvement and encourage open dialogue, ATAR will try to organize three-way meetings between USAID, ATAR, and the government counterparts.

Government staff turnover

Following the presidential elections in 2014, the Afghan government underwent a change in administration at the senior-most levels, including the positions of minister and deputy ministers. Even months later in mid-2015, in the key positions of director general at both MOCI and ACD have changed. As a result of this transition, Afghanistan's WTO accession process had been on hold for more than a year. ATAR has worked with remaining staff at MOCI to educate President Ghani, the new Minister of Commerce and Industries, and other members of the new Presidential administration on the benefits of WTO so that Afghanistan could resume its accession negotiations. In a major development, as a result of the efforts of MOCI and ATAR, President Ghani expressed his support for WTO accession in October 2015 and agreed to move forward with concluding WTO accession negotiations in 2015. ATAR recognizes that government change is unavoidable and has strived to build relationships with a wide range of leading representatives in the public and private sector to maintain momentum.

Resistance to change

Government employees can often benefit from systems that do not correspond to international best practices, taking the opportunity to collect illegal tips or bribes. There is the risk that government

employees revert to former practices when the project reaches its conclusion. ATAR will continue to work to put automated systems in place, such as the expansion of electronic payment, to limit human interaction. In addition, ATAR will support the implementation of mechanisms, such as the national anti-smuggling hotline and an ACD internal audit unit and professional standards unit, to institutionalize external oversight from the public as well as peers.

Internship program

ATAR's internship program for men and women at government counterparts required an increased focus on female recruitment and a comprehensive plan that was well communicated with counterparts and interns and. ATAR began improving upon this program for the remaining two years, increasing focus on women's recruitment, developing an internship plan that emphasizes interns' professional and personal growth, including raising awareness of gender issues among interns as well as counterparts, and implement the plan in close coordination with counterparts. The internship program will help contribute to sustainability by building the next generation of professionals in the public and private sector.

Gender

ATAR understands the importance of mainstreaming gender considerations as a critical factor to project success and sustainability in Afghanistan. ATAR will increase its focus on reducing gender gaps in business and trade and to empower Afghan women to become an influential part of the public and private sectors. ATAR will focus efforts on recruiting more women for the project, delivering targeted training to female entrepreneurs, and delivering gender awareness training to counterpart staff.

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FROM THE AMERICAN PEOPLE

Looking Back: Monthly Report (April 1 – 30, 2014)
Looking Forward: Future Activities Report (May 1 – 15, 2014)

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

1. WTO Accession Process

Awaited date for fifth Working Party meeting: Preparation for Afghanistan's fifth Working Party meeting was completed in early March, and the World Trade Organization (WTO) Secretariat in Geneva, Switzerland, is waiting for Afghanistan to propose a date for the meeting. This could be the final Working Party meeting for Afghanistan, which then would achieve accession with the least number of Working Party meetings by any acceding country during the last decade.

2. Legislative Reforms for WTO Conformity

Worked with ministries on WTO-related laws: ATAR was informed that the Ministry of Justice (MOJ) included all remaining WTO-related draft laws on its 1393[1] MOJ legislative agenda, which will be submitted to the Council of Minsters for approval in early May 2014. ATAR is requesting a copy of the legislative agenda for confirmation.

Throughout the first quarter of 2014, ATAR worked closely with the ministries to ensure that they requested the MOJ to include all WTO-related draft laws within their authority in its 1393 legislative action plan. Afghanistan must bring certain trade laws up to international standards to join the WTO. Although concessions are made for least-developed countries such as Afghanistan, the WTO expects full compliance before accession in major legal areas related to trade policy.

Throughout April, ATAR continued working with the Afghan government to draft, reform, or prepare for implementation of these laws. The table below provides the status of WTO-related legislative actions at the end of April. ATAR's active areas of support during April are highlighted in light blue.

[1] The Afghan year 1393 corresponds to March 21, 2014, to March 20, 2015 in the Gregorian calendar.

Status of Legislation for WTO Accession and Integration into the Global Trading Community as of end of April 2014			
No.	**Legislation**	**Responsible Authority**	**Status**
1.	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD)	MOJ submitted the draft to the Council of Ministers in March.
2.	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. The Minister of Finance will adopt the procedure once the draft customs law is adopted.
3.	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. The Minister of Finance will adopt the procedure once the draft customs law is adopted.
4.	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA)	ATAR received and reviewed comments and suggested revisions to the draft from the ANSA Management Board. ATAR expects the Management Board will complete its review during the next quarter. To date, the Management Board reviewed and approved 22 of 32 articles.
5.	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation, and Livestock (MAIL)	MOJ submitted the draft to the Council of Ministers in January. ATAR assisted MOCI in preparing a letter to MOJ, the Council of Ministers, and the National Assembly to introduce a few changes to ensure compliance with WTO. The Council of Ministers assigned a committee to re-insert the changes proposed by ATAR to ensure WTO compliance. In April, ATAR assisted MOJ in revising the draft, and MOJ will resubmit the law to the Council of Ministers.
6.	Law on Animal Health and Veterinary Public Health	MAIL	ATAR organized the last working group meeting at MAIL on April 6 to finalize the draft law. The Minister must now submit the draft to MOJ.
7.	Law on Food Safety	Ministry of Public Health (MOPH)	MOJ has scheduled review of the draft law in its legislative agenda for first quarter of the year 1393. ATAR launched assistance to MOJ's relevant legislative department to review the daft food law and held two technical meetings in April. ATAR will continue support for enabling submission of

			this draft to the MOJ's Executive Committee.
8.	Procedure Customs Control of Intellectual Property Rights (IPR) (Intellectual Property Border Enforcement)	ACD	The Minister of Finance adopted this procedure on April 12.
9.	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI	In a significant development, MOJ submitted the law to the Council of Ministers on March 19. MOJ noted in its submission letter that ATAR experts are available to clarify any issues in the draft law. The Council of Ministers has not yet begun its review.
10.	Amendments to the Law on Trade Marks of 1 September 2009	MOCI	The Council of Ministers approved the amendments on March 17 for submission to the National Assembly under the condition of further fine-tuning of the legal text by MOJ. ATAR assisted MOJ in fine-tuning the legal text in April, and the draft was submitted to Parliament on April 13.
11.	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC)	ATAR held several meetings with MOJ and MOIC top staff to make sure the draft meets the requirements of WTO. The draft is presently under review of the MOJ Executive Committee. ATAR participated in the sessions of the Executive Committee and clarified the provisions of the draft. The Executive Committee has reviewed the first chapter.
12.	Law on Geographical Indications	MOCI	In a significant development, the MOJ approved and submitted the draft law to the Council of Ministers in February. The Legislative Committee of the Council of Minister, chaired by First Vice President, held a session on April 15 to review the draft law. This included the Minister of Justice, the Minister of Economy, the Minister of Finance, the head of the Afghanistan Chamber of Commerce and Industries (ACCI), and the Senior Legal Advisor of the President. It was reported that the First Vice President rejected the draft due to absence of the Minster of Commerce and Industries, who was not there to defend the draft given comments made by the Senior Legal Advisor to the President to shift provisions to regulations and add new provisions. The Senior Legal Advisor was not specific in the meeting as to which provisions needed to be added or deleted. Under the above circumstances, the First Vice President ordered the draft be sent back to MOJ for amendments. In May, ATAR will meet with members of the Legal

			Advisory Board of the President's Office to improve understanding of the draft and address concerns they may have in order to resubmit the draft to the Council of Ministers.
13.	Law on Industrial Designs	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
14.	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.
15.	Law on Trade Secrets (undisclosed information)	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
16.	Law on Topography of Integrated Circuits	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
17.	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	The relevant MOJ legislative department completed its review, and the draft law is awaiting submission to the MOJ Executive Board.
18.	Law on Plant Variety Protection	MAIL	ATAR followed up with MAIL to ensure the law is formally submitted to MOJ for inclusion in the 1393 legislative agenda. However, MAIL is requesting a needs assessment concerning the application/administration of this law, once adopted. ATAR researched plant variety laws in half a dozen countries as background for MAIL
19.	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ	The MOJ formally agreed in April to include the law in the 1393 legislative agenda.
20.	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ	The draft is at MOJ under review by the relevant legislative department.
21.	Law on Foreign Trade in Goods	MOCI	The draft is at MOJ under review by the relevant legislative department.
22.	Regulations on Import and Export Licensing	MOCI	The draft is finalized at MOCI and ready for submission to MOJ.
23.	Procedure on Customs Storage Fees	ACD	The draft is being circulated for final review within ACD.

24.	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	While the MOPH has not yet agreed to all proposed amendments, ATAR has made progress toward reaching an agreement on a few issues to meet WTO requirements. ATAR launched a cost analysis to propose fees consistent with WTO requirements.
25.	Value Added Tax	MOF	The Lower House has approved the law; the law is now pending approval by the Upper House. According to the Constitution, the Upper House should complete its work on drafts within 15 days from approval by Lower House. That is May 4 in the case of this law.
26.	Income Tax Law (concerning unequal treatment of import tax)	MOF	The Afghanistan Revenue Department (ARD) indicated the draft was finalized and submitted to MOJ in January. MOJ has not yet confirmed the receipt of this draft.
27.	Law on Minerals	Ministry of Mines and Petroleum (MOM)	As of end of April, the Lower House of the National Assembly is still considering the draft.
28.	Law on Safeguards Measures for Domestic Protection	MOCI	The draft is awaiting review by the relevant MOJ legislative department.

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Prepared for implementation of food safety law: On April 9, ATAR conducted a seminar at MOPH on the Codex Alimentarius Commission's "Guidelines for the exchange of information between countries on rejections of imported food, CAC/GL 25-1997" that will form the basis for a ministerial procedure being developed by the Food Regulations Working Group.

Following the seminar, ATAR participated in two meetings of the Food Regulation Working Group in early April. During the meetings, the participants worked on and completed the draft procedure on the operation of the food import control system. In addition, ATAR conducted four roundtables to explain requirements for documents to be developed by the Food Regulations Working Group while the ATAR food safety consultant is out of the country. The documents will address requirements for: (1) protection of privacy; (2) exchange of information between Afghanistan and exporting countries regarding rejections of imported food; (3) determining equivalence of sanitary measures; and (4) exchange of information in food safety emergency situations.

In the latter half of the month, ATAR participated in two more meetings of the Food Regulations Working Group. During these meetings, participants completed work on two additional draft documents: "Exchange of Information between Exporting Countries Regarding the Rejections of Imported Food" and "Exchange of Information between Countries in Food Safety Emergency Situations".

Continued support on plant protection: ATAR worked with MAIL's Plant Protection and Quarantine Department (PPQD) throughout April to explain updates to the plant protection and quarantine regulation and encourage participants to offer input on procedures that will be drafted to support the regulation. In April, ATAR assisted PPQD in conducting four meetings of the working group to review and improve the draft regulation on plant protection and quarantine.

Prepared for implementation of law on animal health and veterinary public health: Throughout April, ATAR and MAIL's Animal Health Department met to discuss draft regulations and three procedures in support of the law on animal health and veterinary public health.

Prepared for implementation of customs law: ATAR completed its training-for-trainers course on the WTO Customs Valuation Agreement on April 14-16, delivering the full program of 24 lessons. ATAR granted certificates to eight participants in the training who successfully passed the post-training test. ATAR saw a significant improvement in the results of post-training test comparing to pre-test results.

Prepared for implementation of law on copyrights and intellectual property rights: On April 13 and 14, ATAR conducted an intellectual property legal training for prosecutors, defense attorneys and members of the MOIC Copyright Office, including female attorneys.



Deputy Minister of Information and Culture Nabi Farahi spoke at a training on intellectual property rights conducted by ATAR.

On April 15, ATAR conducted a copyright training, which was a follow-up to the intellectual property training. The training was attended by the participants from the April 13-14 training as well as those who attended an intellectual property legal training held in June 2013, including a number of judges. These

events were reported in the Afghan media, including Islah Daily, Hewad Daily, the Kabul Times, and Afghanistan National Television.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Discussed draft action plan for quality management system and product certification: Throughout April, ATAR held several meetings with ANSA to discuss and finalize an action plan for mid- and long-term development of certification activities in Afghanistan.

ATAR held a workshop on April 27 to train ANSA staff on conformity assessment and certification and assisted in developing an organizational structure, guidelines, an operation manual, suggested fee structures, and possible conformity assessment marks for the certification unit. ATAR began preparing recommendations for establishing a standards training institute within ANSA to deliver training on standards and their application to private sector and other ministries/state bodies.

ATAR also assisted ANSA in participating in meetings of the South Asian Regional Standards Organization (SARSO) in Dhaka, Bangladesh, from March 31 through April 3. The main purpose of these meetings was to present ANSA to SARSO's technical management board and governing board and discuss cooperation on regional standardization. This was the first time ANSA attended a SARSO meetings.



ATAR developed four possible conformity assessment marks for ANSA to consider for its certification unit that ATAR is helping to establish.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

There were no activities performed during this reporting period in connection with MOCI's WTO Unit.

6. Building Analytical Capacity

Supported reducing discrepancies in trade statistics: During April, ACD, the Export Promotion Agency of Afghanistan (EPAA), and the Central Statistics Organization (CSO) signed a memorandum of understanding (MOU) to promote cooperation in import and export statistics for Afghanistan.

According to the MOU, which was based on a draft MOU prepared with the support of USAID's Trade Accession and Facilitation (TAFA) project, the CSO will get information on import/export statistics from ACD on a monthly basis within two weeks after the end of the each month and process this information in accordance with the CSO reporting structure.

ATAR provided the training to CSO staff on the structure of ACD trade statistics. ATAR determined the CSO requires computers to process the large amount of data from ACD. The CSO requested ATAR's assistance in purchasing two new computers and related software; ATAR will consider such assistance.

In the second half of April, ATAR analyzed reasons behind a decline in revenue collections and commented on an article in *The Washington Post* that raised that issue. ATAR determined the author of the article did not interpret revenue figures correctly.

Continued supporting development of valuation database: ATAR continued to assist the ACD valuation department on the integration of valuation data into the Automated System for Customs Data (ASYCUDA) World database.

ATAR and ACD added a new mechanism in the Tariff and Valuation Management Tool (TARVAL) that is unavailable in the current version of ASYCUDA. With this feature in TARVAL, ACD's valuation department will be able to respond quickly and effectively to requests regarding the differences in the database from one period to another.

With ATAR support, ACD installed an updated version of TARVAL at its valuation department. ATAR gave on-the-job training to the valuation department on TARVAL functionalities.

ACD accepted the ATAR proposal on restructuring part of the Afghan Customs Tariff 2014. That measure will enable ACD to implement certain tariff policies related to vehicles and will help ACD's valuation department keep better records. In addition, ATAR carried out an analysis of the draft Afghan Customs Tariff 2014 compared to the Harmonized System 2012 Edition, an international document used as the basis for countries' tariffs.

7. Building Nationwide WTO Awareness

There were no activities performed during this reporting period in connection with nationwide WTO awareness.

Component 1: Looking Forward

- Provide support, as requested (subsequent to USAID clearance), for Afghanistan's participation in Afghanistan's fifth Working Party meeting.
- Continue support to advance WTO-related draft legislation, regulations, and procedures,

particularly regarding customs, copyrights, patents, food safety, veterinary health, standards, fees for the import of medicines, intellectual property border enforcement, customs storage fees, and plant variety.

- Continue dialogue with MOPH to promote adoption of amendments to the regulations of production and importation of medicines and medical equipment for WTO-conformity and support the process with quantitative analysis of fee structure
- Continue to support MAIL to amend draft implementing regulations for plant quarantine and protection and develop implementing procedures.
- Continue to work with MAIL to start development of implementing regulations and procedures for the law on animal health and veterinary public health.
- Conduct a workshop on valuation problems faced by Afghan private sector in Afghanistan and the region.
- Continue to assist ANSA in developing conformity assessment documentation, establishing a certification unit at ANSA, and establishing a standards training center.
- Identify priority areas for supporting the implementation of the MOU between CSO, ACD, and EPAA on reducing data discrepancies

COMPONENT 2: Enhanced Access to Regional Markets

1. Afghanistan

Supported Afghanistan's participation in CABOC: ATAR supported Afghanistan's participation in the Central Asian Business Opportunities Conference (CABOC), which was organized by USAID's Pakistan Trade Project to enable Central and South Asian businesses to exchange information, establish relationships, and meet government officials.

ATAR encouraged Afghan businesses and the Afghan government to actively participate in the event and supported logistical, security, and technical preparations. The conference, held from April 14-16, devoted one day to business-to-business meetings, a second day to business-to-government meetings, and that last day to government-to-government meetings.

Sixteen MOUs were signed between representatives of Pakistan, Afghanistan, and Central Asian countries. The MOUs covered topics such as increased cooperation between chambers of commerce and industries, expired dairy products entering Afghanistan from Pakistan, and strengthening relationships in the private sector.

ATAR held roundtables prior to CABOC and asked businesses to identify their main trade obstacles in preparation for the event.



Afghan businesswomen participated in CABOC with the support by ATAR.

Provided support to EPAA: In the first half of April, ATAR supported EPAA in developing a cost-competitiveness analysis for six Afghan products, including fresh and dried fruit and spices, for select countries in Central Asia.

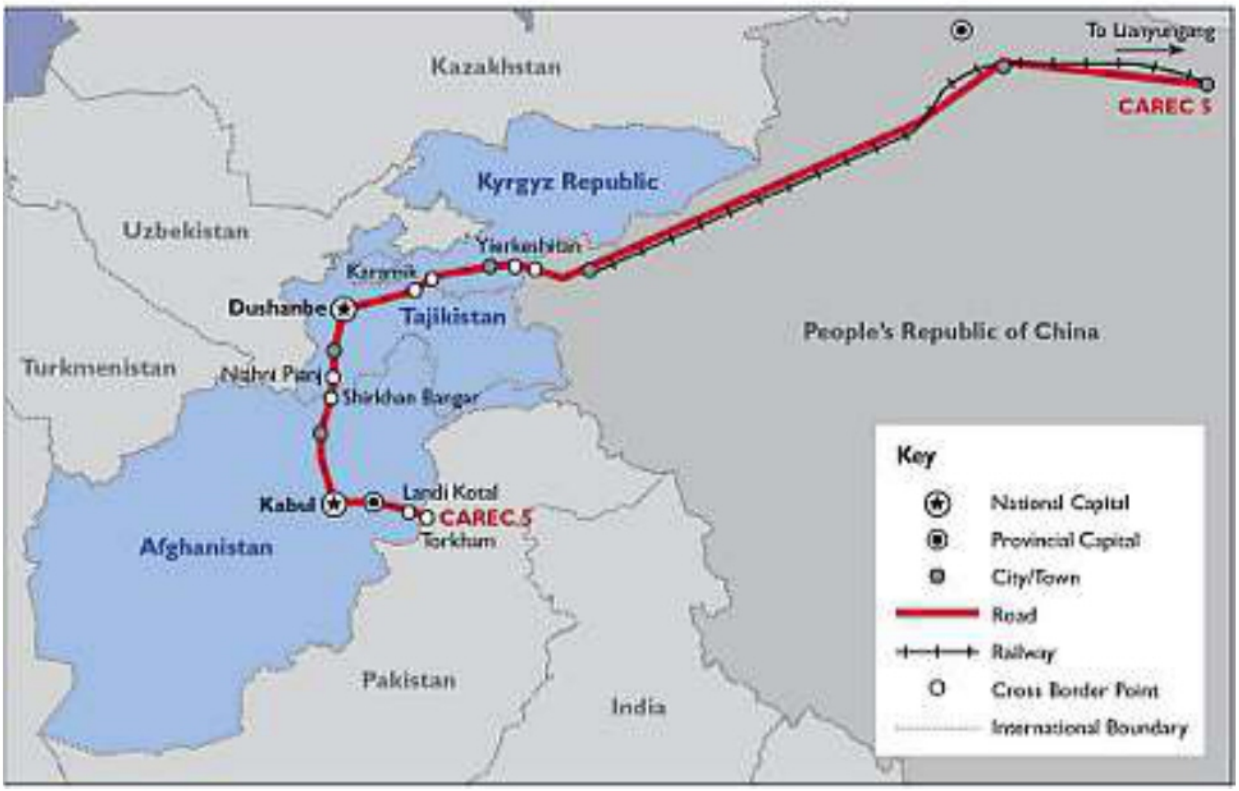
ATAR also provided technical support to EPAA in organizing participation of Afghan traders in WorldFood Azerbaijan. The exhibition, to be held on May 22-24, will bring together buyers and sellers in the food and drink industry. In addition, ATAR finalized material to train Afghan exporters and trainers in international market research and international trade logistics and began identifying training participants.

Encouraged approval of CBTA: ATAR continued to follow up with MOTCA and MOFA to promote approval of the Cross Border Transport Agreement (CBTA) between Afghanistan, Tajikistan, and the Kyrgyz Republic.

Due in part to ATAR's efforts, the agreement was included on the agenda of the Council of Ministers, which approved the CBTA on April 21. MOFA must now submit the originally approved protocol to the Kyrgyz Republic, which is the repository of the agreement. The three countries can then begin ratification. ATAR will continue to work with MOTCA and MOFA on the process.

The CBTA aims to facilitate movement of goods, vehicles, and people along Corridor 5 of the Central Asian Regional Economic Cooperation (CAREC) program, which promotes cooperation and development in Central Asia. The agreement will eliminate a number of barriers, including transshipment for movement of trucks across borders.

Map of CAREC Corridor 5



2. Kyrgyz Republic

Conducted presentation and assessment in support of WTO TFA: ATAR supported the government of the Kyrgyz Republic during April in understanding and preparing for implementation of the new WTO Trade Facilitation Agreement (TFA).

On April 7 and 8, ATAR conducted a presentation on the provisions of the agreement and its implementation requirements for representatives of the Kyrgyz Republic's Ministry of Economy, State Customs Service, Chamber of Commerce and Industries, customs brokers, and transport operators.

In the first half of April, ATAR conducted interviews with officials from relevant agencies and private-sector representatives to collect information on the current situation. During the second half of April, ATAR used this information to draft a TFA assessment that will enable the Kyrgyz Republics to notify the WTO of how it will comply with the TFA requirements. Once finalized, ATAR will translate and share the assessment with the Ministry of Economy.

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved World Customs Organization Revised Kyoto Convention provisions, improved provisions in existing WTO agreements, and new provisions. This agreement presents a new framework for promoting regional reforms to facilitate trade, reduce corruption, improve transparency, increase private-sector participation, and strengthen transit rights.



ATAR gave a presentation on the new WTO Trade Facilitation Agreement and its implementation requirements for stakeholders in the Kyrgyz Republic.

Piloted and presented CITS: Throughout April, ATAR developed and piloted the Comprehensive Integrated Tariff System (CITS), which would ensure greater transparency and access to information regarding import and export trade and transit regulations.

In the first half of April, ATAR developed and tested CITS. In the latter half of the month, ATAR completed the first pilot and presented CITS to an interagency working group on export promotion and to the staff of the Kyrgyz Republic "Single Window" enterprise. Upon verification of contents, ATAR will assist Kyrgyz customs in loading the system to its website for public access. ATAR will support development of a sustainable process for maintaining CITS.

Through CITS, an Afghan trader could have access to information on all regulatory requirements applicable to products imported into or exported from the Kyrgyz Republic.

Gave presentation on customs electronic data interchange: On April 1 and 2, ATAR conducted a presentation of the customs-to-customs electronic data interchange system for the Kyrgyz Republic's customs department.

The electronic data interchange will allow transmission of read-only trade and transit information prior to the arrival of goods to all relevant transshipment, clearance, and entry and exit points in Afghanistan, the Kyrgyz Republic, and Tajikistan. Electronic data interchange modules have already been developed and installed in test environments in Afghanistan and Tajikistan.

Electronic data interchange will prevent tampering with information, facilitate traceability of goods, reduce corruption and smuggling opportunities, allow effective and timely audits, support proper valuation of goods, and eliminate discrepancies between the countries' trade statistics.

Wrote concept paper for law enforcement information technology system: During the second half of April, ATAR developed a concept paper at the request of Kyrgyz customs on the introduction of an electronic system for managing law enforcement in customs. All procedures are currently paper based and do not provide important input to the customs' electronic risk management system.

Launched a study on goods for trade between Kyrgyzstan and South Asia. During the second half of April, ATAR began working on a regional study for identifying Kyrgyz products and businesses interested in exporting and importing to and from South Asia.

ATAR conducted meetings with business representatives in the Kyrgyz Republic. Interested businesses will be invited to a business-to-business event planned for June 2014 in Dushanbe, Tajikistan.

3. Tajikistan

Introduced to the first deputy minister of Tajikistan's Ministry of Transport: In early April, USAID's country director and representatives of the USAID/Tajikistan economic growth office introduced ATAR to the first deputy minister of Tajikistan's Ministry of Transport.

The first deputy minister welcomed ATAR, appointed the head of the ministry's international cooperation division as the point of contact for ATAR, requested ATAR's assistance in building the capacity of Tajik logistics service providers, and requested ATAR evaluate the requirement for a monitoring mechanism for Transports Internationaux Routiers Carnet movements across Tajikistan and Afghanistan.

Re-introduced project to TCCI: Following a change in management at the Tajikistan Chamber of Commerce and Industry (TCCI), ATAR met with the new TCCI deputy chairman in early April and re-introduced the project and the proposal for a joint business council with Afghanistan and the Kyrgyz Republic to TCCI. ATAR explained the MOU regarding the joint business council and submitted it to the deputy chairman for consideration.

Worked on draft veterinary affairs agreement: In partnership with Tajikistan's veterinary services agency, ATAR improved the draft "Agreement on Cooperation and Mutual Assistance in Veterinary Affairs" between the governments of Tajikistan and Afghanistan.

ATAR handed over the final document in English, Tajik, and Dari to the veterinary services agency, which will now seek permission of the Ministries of Agriculture and Foreign Affairs to submit the draft agreement to their Afghan counterparts for consideration.

The agreement covers the cooperation of Tajikistan and Afghanistan in protecting their territories against the introduction and spread of diseases of animals and animal products.

Introduced the proposal for the business-to-business event to Dushanbe: ATAR began preparations for a business-to-business event, planned for June in Dushanbe, between Afghanistan, Pakistan, and

Tajikistan's importers and exporters.

ATAR met with TCCI, the American Chamber of Commerce in Tajikistan, private businesses, and donors to discuss efforts to identify Tajik exporters interested in the business-to-business event. ATAR also met with the deputy minister of Tajikistan's Ministry of Trade and Economic Development to get his support.

ATAR collated a list of more than Tajik entrepreneurs with interest in the three target sectors – construction materials, textiles, and prepared food. ATAR started interviews with the entrepreneurs to identify their trading potential with Afghan and Pakistani participants and to gauge their commitment to the business-to-business forum.

Prepared for delivery of export development seminar: ATAR prepared for a seminar on export development on May 21-23 in Khujand, Tajikistan's second largest city and the county's export center.

ATAR discussed the event with the TCCI, the United Nations Development Programme, and the Ministry of Economic Development and Trade to ensure the best venue and participants from the public and private sector.

Confirmed State Customs Service's requirements for technical assistance: ATAR consulted with Tajikistan's State Customs Service and confirmed its requirements for technical assistance in its risk management and post-clearance audit divisions and in English translation of the annotated customs code for its website.

4. Turkmenistan

Prepared for export development course: In early April, the Ministry of Foreign Affairs in Turkmenistan expressed interest in cooperating in export development and customs issues related to WTO.

As a result, ATAR prepared two draft agendas for a course on export development and another on customs issues. ATAR started preparation of training materials and organizing a venue and logistics for delivering the export development course.

5. Uzbekistan

Began preparations for transport workshop: In early April, ATAR began working with USAID's Regional Economic Cooperation (REC) project to plan a transport workshop in Uzbekistan that would bring Kazakh, Uzbek, and Afghan stakeholders together. The event, however, was postponed at the request of the Uzbek government.

6. Region-Wide

Started work on regional matrix on trade opportunities and traders: ATAR began developing a regional matrix covering Afghanistan, the five Central Asian countries (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan), India, and Pakistan. The matrix will highlight export opportunities in one country of potential interest to traders in the other countries.

Component 2: Looking Forward

- ATAR will follow up with MOTCA and MOFA on sending the original protocol of accession to the CBTA to the Kyrgyz Republic.
- Continue work in Tajikistan, the Kyrgyz Republic, and Afghanistan on facilitating an MOU between the chambers of commerce and industries of the three countries and on establishing a joint business council.
- Continue planning for a business-to-business event in Dushanbe involving Afghan, Tajik, and Pakistani traders (possibly also Kyrgyz Republic traders).
- Launch process of addressing the three top issues facing transit and trade in Tajikistan.
- Continue work with the Kyrgyz Republic on installing the electronic data interchange system in a test environment.
- Begin work on verifying data for the CITS pilot system in the Kyrgyz Republic.
- Finalize concept paper for a law enforcement database for the Kyrgyz Republic and translate to Russian.
- Finalize the WTO TFA assessment in the Kyrgyz Republic and translate to Russian.
- Launch support on risk assessment in the Kyrgyz Republic.
- Continue preparation of training materials for a course on export development in Turkmenistan, the Kyrgyz Republic, and Tajikistan.
- Continue organizing training on export development in Turkmenistan, Tajikistan, and the Kyrgyz Republic.
- Continue working on a study on identifying goods of interest to regional traders covering Central Asia, Afghanistan, and South Asia.
- Start introducing the new ATAR country manager to Kyrgyz main government, private-sector counterparts, and donors.
- Continue organizing business-to-business event in Dushanbe for private-sector participants from Afghanistan, Kyrgyz Republic, Pakistan, and Tajikistan.
- Continue assessing cost competitiveness of key Afghan exports.

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

Customs 3a: Improved Tax Administration

Received ACD support on VAT work plan: In early April, ATAR met with the Ministry of Finance's deputy minister of revenue and customs and received his support to work with the director general to move forward with value-added tax (VAT) implementation.

The deputy minister noted ACD will have little time to start implementing VAT. The Lower House of Parliament passed VAT, and the Upper House and President are expected to pass VAT in May.

Customs 3b: Improved Customs Reform

Worked with ACD and DAB on E-Pay: In early April, Da Afghanistan Bank's (DAB) payment and settlement department notified ATAR through an email that the department determined the new standard operating procedures between ACD's Automated System for Customs Data (ASYCUDA) and DAB's

Afghanistan Clearing and Settlement System (ACSS) for the electronic payment of customs duties were no longer feasible.

The email noted the ACSS requires an upgrade for such integration; however, DAB is now replacing the ACSS with a new system that will be funded by the World Bank, making the upgrade pointless. DAB said the new system will be operational in less than a year. DAB said the electronic payment of customs duties will be an integral part of the new system, but ACD will have to be involved throughout the design and implementation.

Began support to ANCA: In the second half of April, ATAR deployed its national training development specialist to the Afghanistan National Customs Academy (ANCA) to provide technical support on development of training. ANCA provided an office for the ATAR specialist, who has begun coordination to collect information on ANCA trainings and develop a training need assessment database.

The database will cover training information for most of the customs officials in Kabul, Mazar-i Sharif, Heart, and Jalalabad. At the end of the month, ANCA and ATAR had received all of the data from Mazar-i Sharif, 80 percent of the data from Jalalabad and 50 percent from Herat.

Worked with ACD in regions: ATAR has local project staff located in Mazar-i-Sharif, Herat, and Jalalabad working closely with ACD regional staff on risk management, streamlined customs procedures, time release studies, training needs analyses, and monthly management reports.

Customs Progress in Regions from April 1-30, 2014					
Site	Risk Management	Streamlined Customs Procedures	Time release study (TRS)	Training needs analysis (TNA)	Monthly Management Report (MMR)
Mazar-i Sharif	ATAR completed a comprehensive risk management review in April. ATAR found officials were subjecting declarations routed for immediate release to physical exams, against the risk management policy and best practices. With coordination between ATAR, the ACD regional director, and the risk management and intelligence department in Kabul, ACD stopped this practice in late April.	ATAR determined proper streamlined procedures will only be implemented with ACD director general intervention. ATAR will raise the issue with him.	In the second half of April, ATAR revised the format for the Time Release Study (TRS) to address concerns of regional customs directors and to expand the sample size of the study. ATAR, with the assistance of customs brokers, will begin completing the new forms in May.	During the reporting period, ATAR completed the TNA with ACD support. ATAR and ACD have compiled the information in a database, and ATAR will review the information.	The ACD director general stressed this report is a priority, and ATAR will discuss this with him.
Herat	ATAR completed a comprehensive risk management review in April. ATAR will use the results of the review to work with ACD on proper implementation of risk management in the region.	ATAR continued to review streamlined procedures. ATAR will raise opposition to proper implementation with the ACD director general.	In the second half of April, ATAR revised the TRS format to address concerns of regional customs directors and to expand the sample size of the study. ATAR, with the assistance of customs brokers, will begin completing the new forms.	ACD Herat fully endorsed the TNA, and the forms are being completed.	The ACD director general stressed this report is a priority, and ATAR will discuss this with him.
Jalala-bad	ATAR completed a comprehensive risk management review in April. ATAR will use the results of the review to work with ACD on proper implementation of risk management in the region.	ATAR discussed extra steps in the clearance process with the customs director, but the director wants a directive from the director general regarding removal of the steps. ATAR will raise this issue with the ACD director general.	In the second half of April, ATAR revised the format for TRS to address concerns of regional customs directors and to expand the sample size of the study. ATAR, with the assistance of customs brokers, will begin completing the new forms in May.	ACD disseminated the TNA among inland clearance deport (ICD) staff. ATAR is awaiting final results.	ACD initially refused to cooperate in the report. The ACD director general said he wanted the form to be reintroduced. ATAR persuaded the customs director of the importance of this form, and he has nominated an officer who is being mentored in its completion.
Kand-ahar	ATAR is in the process of recruiting for a local customs expert in Kandahar.				

Component 3: Looking Forward

- Await formal approval and/or feedback on the VAT work plan that directly supports ACD.
- Commence support to ACD in reviewing requirements for accession to the Revised Kyoto Convention.
- Continue regional work with ACD to identify existing risk profiles and resulting selectivity rates in areas where risk management has been rolled out.
- Begin implementation of time release studies at all regional ICDs.
- Finalize TNAs at all regional inland clearance depots and border crossing points.
- Discuss regional difficulties with the director general.

ATAR INDICATOR TABLE

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO report)	$5.17 billion in the first nine months of 1392 (ACD report)	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). **Note:** Total volume of trade in the first nine months of1392 was $5.17 billion which included import ($4.85 billion) and export ($318 million)
2	Value of gross domestic product (GDP)	Outcome/ Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$21 billion in 1391(CSO report)	Will be reported by end of 1392	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. **Note**: Based on a CSO report, the total value of Afghanistan GDP in 1391 was Afs 1,085,766 million = $21 billion.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
3	Ratio of foreign trade in GDP	Outcome/ Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank report)	Will be reported next quarter	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan. Note: This indicator will be reported once the Afghanistan GDP for 1392 is reported by the GIROA.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported next quarter	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$318 million in first nine months of 1392 (ACD report)	Tracking only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** Based on ACD, the total value of export in the first nine months of 1392 is $318 million. **Disaggregation by Country:** Pakistan = $102 million India = $58 million UAE = $46 million Iran = $23 million Turkey = $20 million USA = $13 million China = $11 million Iraq = $10 million Turkmenistan = $9 million Tajikistan = $6 million Others = $19 million **Disaggregation by province:** Kandahar = $82 million Herat = $69 million Jalalabad = $63 million Kabul = $40 million And Khoi = $28 million Kabul Airport = $22 million Mazar = $9 million Others = US$ 6.6 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
6	Value of imports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$4.85 billion in first nine months of 1392 (ACD report)	Tracking only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on ACD, total value of Afghanistan import in the first nine months of 1392 was $4.85 billion. **Disaggregation by country:** Pakistan = $1,036 million Iran = $741 million China = $659 million Turkmenistan = $501 million Uzbekistan = $255 million Japan = $226 million Kazakhstan = $198 million Malysia = $183 million Russia = $181 million UAE = $121 million India = $107 million Others = $645 million **Disaggregation by province:** Jalalabad = $1,285 million Herat = $1,273 million Mazar = $661 million Nimruz = $614 million And Koi = $434 million Kandahar = $299 million Kabul = US$ 132 million Others = US4 153 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/ Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
9	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/ Impact USAID requested indicator	None	GIROA	Annual	27%	Will be reported next quarter	20%	10%	It is crucial to have reliable trade related data for policy and planning. ATAR will support ACD and CSO to harmonize trade related data between the two organizations. **Note:** Based on trade statistics data from ACD and CSO for the year 1391, the overall discrepancy was 27% (import 19% and export 35%). The project will report the discrepancy of 1392 once data received from CSO for this year.
PIR 1.1: WTO accession process finalized										
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	9	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quarterly	0	1	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR in Afghanistan.
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	1	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level (including by working group) with ATAR support. This mainly refers to the first draft finalized at the Ministerial level.
PIR 1.2: WTO implementation process developed and executed										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	20 (Participants: 176 male and 27 female)	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, round table discussions and other trade gathering.
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarterly	0	3 (Participants: 35 male and 28 female)	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	3 (Participants: 35 male and 28 female)	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator / Output USAID requested indicator	Province	Project records	Quarterly	0	2	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/ Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
18	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey	TBD from perception survey	10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted in Year 1 of the project to collect baseline information and annually thereafter targeting the same group
PIR 2: Regional and global integration enhanced										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records and MOCI	Quarterly	0	2	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support.
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/gender	Project Record and EPPA	Monthly	0	20	80	400	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
21	Number of laden vehicles crossing Torqundi, Hairatan, SherKan Bandar, Torkham, and Weish in each direction	Outcome/ Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: 66,851Imports 2,734 Exports Torqundi: 43,209 Imports 542 Exports Sher Khan Bandar: 4,050 Imports 16,199 Exports Torkham: 175, 770 Imports 32,451 Exports Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	1	6	24	This indicator will capture the number of interactions and dialogues between the businesses and government organizations in the region on policy reform issues.
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
24	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Perfor-mance Manageme nt and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6 (2012)	The project will report this indicator once the CPMM report for 2013 published by ADB	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the cost to travel 500 km per 20 ton is: Corridor 5 = $1,580 Corridor 6 = $719
25	Percentage share of trade with regional partners	Outcome/ Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator will capture the share Afghanistan trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
26	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$157 (2012)	The project will report this indicator once the CPMM report for 2013 published by ADB	Tracking only	Tracking only	The average of total expenses to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the average cost of crossing border is $157.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
27	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million in 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** Based on MOF Performance Report, the customs revenue in 1392 is Afs 49.4 billion = $875 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
28	Number of permanent professional positions allocated for women within ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	77	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
29	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
30	Average Customs processing time (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3 hours 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported in next quarter	TBD based on number of steps removed	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.
31	Number of documents/procedures required to import and export	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10, import 10, export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2014)	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
32	Time to export and import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	85 days, import, 81 days, export (World Bank Doing Business report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.
33	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline.
34	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievements in project first year (November 2013 to April 2014)	Year 1 Target	Life-of-Project Target	Notes
Cross-Component Indicators										
35	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	22 trainings 286 participants including 217 male and 69 female 222 persons days of training	30 trainings/ 300 participants	120 trainings/ 1200 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training.
36	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	1,554 (1,226 male, 328 female)	1500	6000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40. This target for this indicator is set based on indicator No. 46 (number of trainings) assuming that each ATAR-led training maybe be on an average 5 hours.

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Afghanistan Trade and Revenue (ATAR) Project

February Monthly Report (Feb. 1-29, 2016)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs. ATAR also works in Tajikistan, Kyrgyzstan, Turkmenistan, and Uzbekistan and has activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

February Highlights

- The Cabinet of Ministers approved Afghanistan's WTO accession package. The accession package will next be submitted to the Parliament's Lower and Upper Houses for ratification and finally for President Ghani's signature. Afghanistan has until June 2016 to ratify the deal.
- The Afghan government made major strides in WTO legal reforms. The Cabinet approved the Law on Food Safety, the Law on Copyrights, and the Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts. In addition, the Council of Ministers' Legislative Committee approved the Law on Protection of Trade and Industry Secrets. The laws will proceed to the next stages of legislative processing. In an unprecedented development, the Ministry of Agriculture, Irrigation and Livestock agreed to move ahead with the Law on Plant Variety Protection after an ATAR presentation highlighting the law's impact on Afghanistan.
- ATAR assisted an Afghan government delegation in participating in the sixth Afghanistan Pakistan Transit Trade Coordination Authority meeting in Islamabad. Both sides agreed to amend the Afghanistan Pakistan Transit Trade Agreement to facilitate trade.
- Afghan traders inked $2.38 million in deals for Afghanistan's produce at Gulfood in the United Arab Emirates as a result of a partnership between ATAR and other USAID projects.
- Uzbek authorities agreed to a series of ATAR training seminars for Uzbek Customs officials on risk management, e-declaration, and border management.
- The Afghan Customs Department and the Afghanistan Revenue Department held their first Trader and Taxpayer Awareness Program as part of an ATAR initiative to help traders and taxpayers understand their rights and enable an open dialogue.

Key Upcoming Events

- Afghanistan and Pakistan will hold a Customs-to-Customs Consultative Meeting as part of the Afghanistan Pakistan Transit Trade Coordination Authority in Karachi, Pakistan, on March 12-14.
- Representatives from Central and South Asian countries will attend the New Silk Road Regional Trade Workshop on March 14-15 in Almaty, Kazakhstan.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

WTO Accession Process

In February, the Cabinet of Ministers approved Afghanistan's WTO accession package, which includes a summary of Afghanistan's WTO Working Party proceedings, Afghanistan's conditions of entry and protocol of accession, and the country's market access commitments in goods and services. In addition, Afghanistan's Second Vice President Mohammad Sarwar Danish was assigned to prioritize legislative actions necessary for WTO compliance.

Prior to Cabinet approval, ATAR supported the Ministry of Commerce and Industries (MOCI) in revising the WTO accession package documents, specifically Afghanistan's legislative action plan for the next four months, revisions to Dari and Pashto translations of the accession documents, and updates to tariff schedules. ATAR also supported MOCI in preparing a detailed presentation on WTO accession. MOCI provided the WTO accession package to the Cabinet of Ministers, and Deputy Minister of Commerce and Industries Mozammil Shinwari gave the presentation on WTO accession to the Cabinet of Ministers.



The Cabinet of Ministers approved Afghanistan's WTO accession package. The package next heads to Parliament.

The accession package will now be submitted to the Lower and Upper Houses of Parliament for ratification and finally for the signature of President Ghani. Afghanistan has until June 2016 to ratify the deal and will formally become a WTO member 30 days after it notifies the WTO of ratification.

ATAR arranged multiple roundtables with stakeholders including the Ministry of Justice (MOJ), the Afghanistan National Standards Authority (ANSA), the Ministry of Finance (MOF), the Ministry of Agriculture, Irrigation and Livestock (MAIL), and other ministries to prioritize WTO legislative actions.

Legislative Reforms for WTO Conformity

ATAR continued to support the Afghan government to advance legislative reforms for WTO conformity. The table below provides the status of WTO-related legislative items supported by ATAR as of the end of February 2016. ATAR's active areas of support during the month are highlighted in light blue.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers/Cabinet[2][3] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[4]
1	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	In October 2015, the Council of Ministers held a session under the Second Vice-President. The Second Vice-President instructed, based on a decree of President Ghani to review the trade-related laws submitted under President Karzai's administration, the law should be reviewed again. Subsequently, ATAR assisted ACD in preparing changes to the amendments in January 2016.	Sponsoring Ministry	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	On Feb. 10, 2016, ACD's Valuation Department held a second working group on the procedure. With ATAR, ACD reviewed almost eight articles and had many comments and recommendations. ATAR began reviewing the recommendations and will provide clarifications on those inconsistent with WTO.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	The Ministry of Finance/ACD approved the procedure in July 2015. ATAR updated the English version of the procedure and submitted the document to ACD in September 2015.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	ANSA Sayed Hashimi Farhat Farhat	In February 2016, ATAR followed up with MOJ to ensure the law is on its priority list.	MOJ	Yes[5]
5	Law on Plant Protection and Quarantine	MAIL Siyar Sahar Luis Flores	In June 2015, the Upper House of Parliament approved the draft law. In July 2015, the law was submitted to the President for signature.	President	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	In February 2016, ATAR encouraged MOJ to finalize the law's review.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	In February 2016, the Cabinet approved the law. MOJ will translate the law into Pashto and send it to Parliament.	Cabinet	Yes

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Under the National Unity Government, there is a Council of Ministers and a Cabinet. The Council of Ministers is chaired by Chief Executive Officer Abdullah, and the Cabinet is chaired by President Ghani. Under the prior government, there existed only a Council of Ministers.
[3] Regulations go to the Council of Ministers and do not proceed further.
[4] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.
[5] Although not on the agenda, MOJ has agreed to consider the draft Law on Standards and Technical Regulations.

8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure in April 2014.	Entered into force	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	In February 2016, MOJ's Legislative Department called MOCI to provide clarifications on amendments to the law. ATAR assisted in the clarifications. The amendments will be submitted to MOJ's Executive Board.	Ministry of Justice	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In February 2015, the President endorsed the law. On May 20, 2015, the law was published.	Entered into Force	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	On Feb. 7, 2016, the Cabinet approved amendments to the law, rejecting proposed changes from the Afghanistan Development and Peace Research Organization (ADPRO) that violate WTO requirements. Meanwhile, President Ghani asked MOJ to highlight ADPRO's insertions in the draft that are consistent with WTO and return it to Cabinet simply for his information. ATAR assisted MOJ in identifying the ADPRO insertions and sent it to the Cabinet. MOJ began translating the draft law into Pashto for submission to Parliament.	Cabinet	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	The President endorsed the law on Aug. 4, 2015, and it was published in the official gazette on Aug. 17, 2015.	Entered into Force	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	In January 2016, a session on the law was held at the Lower House's National Economic Commission. MOCI, Afghanistan Chamber of Commerce and Industries (ACCI), MOJ and ATAR were invited to provide clarifications and explain the importance of the law.	Parliament (Lower House)	Yes
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	On Feb. 10, 2016, the Supreme Court provided comments and recommendations on the draft amendments. ATAR began reviewing them to ensure consistency with WTO.	Ministry of Justice	Yes
15	Law on Protection of Trade and Industry Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	ATAR ensured the draft is compliant with WTO and asked MOJ to send the draft law to the Council of Ministers' Legislative Committee. On Feb. 15, MOJ sent the draft to the Council of Ministers' Legislative Committee, which then discussed the draft on Feb. 21 and approved it with two minor changes.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	In February 2016, MOJ's Legal Advisor started a review of the draft law based on the instruction of the Minister of Justice. ATAR assisted the advisor in the review and delivered a presentation on the law's importance. MOJ	Ministry of Justice	No

			said MOJ's Senior Legal Advisor should review the draft before holding a working group.		
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	In November 2015, the Council of Ministers approved the draft law with a minor revision. In December, MOJ made the revision and sent the law to the Cabinet. Also in December, the Cabinet approved the law and requested Pashto translation. MOJ completed Pashto translation and sent the law to the Parliament on Jan. 20, 2016, for further legislative processing.	Parliament	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	On Feb. 21, 2016, ATAR gave a presentation to the Deputy Minister of Agriculture, Irrigation and Livestock to highlight the law's importance. The Deputy Minister accepted the law in principle and asked his directors to provide comments. On Feb. 29, the Deputy Minister invited ATAR and his team to discuss the comments. The Deputy Minister ordered his team to finalize the draft law as soon as possible as the Cabinet requested the Minister of Agriculture, Irrigation and Livestock to finalize the draft and send it to MOJ.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In January 2016, the amendments were submitted to the Cabinet, which approved them. ATAR will assist MOJ in translating the amendments into Pashto. MOJ will then submit the amendments to Parliament.	Cabinet	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	On Feb. 7, 2016, the Cabinet approved the amendments. MOJ began translating the amendments into Pashto.	Cabinet	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	In February 2016, ATAR followed up with MOJ to ensure the law is on MOJ's priority list.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	MOCI finalized the draft, which will be adopted once the Law on Foreign Trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	ACD adopted a procedure setting fees consistent with the General Agreement on Tariff and Trade Article VIII.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	Ministry of Public Health (MOPH) Siyar Sahar Farhat Farhat	On Oct. 3, 2015, ATAR met the MOPH's Pharmacy Department and explained parts of the regulations inconsistent with WTO. MOPH's Pharmacy Department said it would take those parts into account while preparing changes to the regulation. ATAR followed up on this several times in the past quarter.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	MOF Wali Faqirzad Farhat Farhat	ATAR followed up with MOCI several times in the past quarter to request MOF move forward with the law. ATAR intends to meet with the Deputy Minister of Finance to discuss finalizing	Sponsoring Ministry	No

			and sending the law to MOJ.		
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	In February 2016, ATAR followed up with MOJ to ensure the law is on MOJ's priority list.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entered into Force	Yes

Sustainable Capacity for the Fulfillment of Key WTO Commitments

Law on Plant Protection and Quarantine

ATAR assisted MAIL's Plant Protection and Quarantine Directorate in finalizing the draft regulation of the Law on Plant Protection and Quarantine. The Plant Protection and Quarantine Directorate finalized the draft regulation during multiple working groups and sent it to the MAIL's Plan and Policy Directorate to review and submit to MOJ. In a Feb. 29 meeting with the Deputy Minister of Agriculture, Irrigation and Livestock, ATAR urged him to accelerate the process. The Deputy Minister asked MAIL's Policy Analysis and Legal Advisory Department to assist in reviewing the draft regulation and send it to MOJ.

Law on Food Safety

On Feb. 16 and Feb. 23, ATAR assisted MOPH in holding two working groups to review the draft document on the Food Control Authority, which will help to support implementation of the Law on Food Safety. MOCI, the World Health Organization, and high-level MOPH officials attended the meetings.

Assist in Building Capacity and Sustainability of the WTO Unit for Post-Accession

ATAR supported MOCI in developing an updated version of the legislative action plan in Dari and English to present to the Cabinet of Ministers for each relevant ministry and state body to undertake priority reforms over the next four months prior to the government's ratification of the WTO accession package.

Assist in Building Analytical Capacity

ATAR supported MOCI's Trade Policy Analysis Unit (TPAU) in preparation of Afghanistan's new tariff schedule based on WTO commitments and Afghanistan's 2015 tariff schedule. ATAR assisted the TPAU in identifying about 580 tariff lines with rates that are above committed WTO bound rates.

ATAR assisted MOCI with preparation of three lists to be discussed for preparation of the 2016 tariff schedule, which goes into effect in March 2016: 1) a list of tariff lines with current tariff rates higher than the WTO bound rate; 2) a list of tariff lines that need be added based on the WTO's negotiated schedule; and 3) a list of tariff lines that exist in Afghanistan's schedule but not in the WTO schedule.

In addition, ATAR supported MOCI in fulfilling numerous requests to provide data and analysis on transit, transport, regional trade, and total trade. ATAR also continued working with the TPAU on preparing its Annual Trade Policy Review for 2011-2015 and assisting in development of a general equilibrium model.

At the request of the MOCI's Director General, ATAR assisted the TPAU in estimating the possible impact on exports due to implementation of WTO requirements and the elimination of trade barriers. The TPAU ran scenarios from a partially developed general equilibrium model applied on products from the agricultural and industrial sectors. ATAR assisted TPAU in the collection of information on tariffs, prices, exports, trade barriers, production, and demand for agricultural and industrial products, such as fruit and nuts, vegetables, seeds, cereals, saffron, cotton, wool, carpets, leather, minerals, and precious stones. With the model, it was estimated that Afghan exports could double from about 30 million Afghanis currently to more than 60 million Afghanis a year by 2021.

Assist in Building WTO Awareness

ATAR received approval from USAID and MOCI on the design for a billboard that will likely be placed near the traffic circle by Hamid Karzai International Airport around the anticipated date of Afghanistan's ratification of WTO accession by June 2016.



A screenshot from a video on Afghanistan WTO's accession shows the WTO's acceptance of Afghanistan's terms of accession.

ATAR also received approval from USAID on the English version of a video to inform the general public of WTO accession. The video incorporates WTO footage taken during Afghanistan's final Working Party meeting in Geneva, Switzerland, and the WTO's 10th Ministerial Conference in Nairobi, Kenya. ATAR began creating Dari and Pashto versions of the video for USAID and MOCI social media and websites. ATAR will shorten the two-and-half minute video to a minute or less for possible airing on national television.

Component 1: Looking Forward

- Continue supporting the process of ratification of the WTO accession package
- Continue meeting with government stakeholders to promote WTO-related legislative reforms
- Continue supporting the legislative process for the completion of all other legislation of the legislative action plan for WTO conformity
- Continue supporting development of regulations and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue support for applying to intellectual property conventions
- Continue development of the general equilibrium model with the TPAU
- Start supporting MOCI in preparing initial WTO notifications

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan.

Afghanistan

Afghanistan Pakistan Transit Trade Coordination Authority

ATAR assisted an Afghan government delegation, led by Deputy Minister of Commerce and Industries Mozammil Shinwari, in participating in the sixth Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting on Feb. 14-15 in Islamabad.

Pakistani and Afghan officials agreed that, in accordance with Article 50 of the Afghanistan Pakistan Transit Trade Agreement (APTTA), the provision of the present agreement shall be amended to further facilitate transit trade. Participants will deliberate the draft amendments in the next APTTCA meeting that will be held in the last week of March in Kabul.

The Pakistani side promised to provide Afghanistan access to Wagah, which lies on the border with Pakistan and India. Pakistan, in turn, will have access to Tajikistan through Afghanistan. Both sides agreed to organize a pilot run of Afghan trucks from Torkham and Chaman up to Wagah carrying exports to India and Pakistani trucks from Torkham and Chaman carrying Pakistani exports to Sher Khan Bander, which is near the Tajikistan border.

Gulfood

Afghan traders inked $2.38 million in business deals for Afghanistan's produce at the Gulfood Exhibition in the United Arab Emirates as a result of a partnership between ATAR and USAID's Commercial Horticultural and Agricultural Marketing Program (CHAMP) and USAID's Regional Agricultural Development Program-South (RADP-S).

Gulfood, held from Feb. 21-25 in Dubai, is the world's largest annual food and hospitality show. As a result of ATAR, CHAMP, and RADP-S support in organizing Afghanistan's participation, thousands of international buyers at Gulfood had the opportunity to learn about Afghanistan's agricultural riches, including saffron, pomegranates, apples, apricots, melons, grapes, nuts, and raisins.

The Afghan traders said they are expecting several more million dollars in deals in coming months as they finalize contracts with buyers they met at the event. Afghan traders have participated in Gulfood since 2011 with USAID support. The traders have signed millions of dollars in deals in past events, expanded their reach in existing markets such as Pakistan and India, and gained access to new markets in the Middle East, Europe, and North America.



Afghan traders interact with potential buyers at the Afghanistan Pavilion at Gulfood in Dubai.

Kyrgyzstan

Cross-Border Transport Agreement

ATAR continued to follow up with the Kyrgyzstan's Ministry of Transport on the status of Afghanistan's protocol of accession to the Cross Border Transport Agreement (CBTA) between Afghanistan, Tajikistan, and Kyrgyzstan.

ATAR met with the Head of International Relations of the Ministry of Transport and Communications. She said the resolution to accede to CBTA has been prepared again and was sent to relevant ministries on Jan. 11 as the first submission expired before it could be acted upon. ATAR was told that this process usually takes about three months, and she expects results by the end of March.

WTO Trade Facilitation Agreement

ATAR addressed a regional group of individuals and officials working on the WTO Trade Facilitation Agreement (TFA) in their countries. ATAR focused on the subject of licensing procedures for customs brokers. The event was sponsored by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and included delegations from Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

Customs Consultative Council

ATAR assisted in drafting the agenda for the next Customs Consultative Council (CCC) and delivered it to the Kyrgyz Customs Deputy Chairman, who approved the agenda and date for the next CCC. A CCC work plan was also submitted for his review.

The CCC meeting was held at Kyrgyz Customs on Feb. 24. Participants discussed the draft Eurasian Economic Union Customs Code, in particular the possibility of reducing the amount of security for customs payments from 1 million Euros to an amount acceptable for Kyrgyzstan. Kyrgyz Customs expressed understanding and promised to work toward a more acceptable amount. The CCC also agreed record-keeping requirements for customs brokers should be simplified. In addition, participants discussed the CCC work plan for 2016.

ATAR distributed among the participants the Resolution of the Government of Kyrgyzstan dated Jan. 27 on "Approving the Procedure on Advance Notification" to the tax body. This issue would be considered at the next CCC, as there are many contradictions with current laws and regulations. For example, the Border Service has a right to search goods and, in the case of incompliance with documents, it may seize the documents for goods and means of transport.

The Association of International Road Transport Operators of the Kyrgyz Republic (AIRTO-KR), which is the national trucking association, raised the issue of the customs escorting of Kyrgyz trucks transiting the territory of Kazakhstan under the Transports Internationaux Routiers (TIR) Convention. Kyrgyz Customs said this issue will be considered during a video conference called "Informational Interaction on Transit System" on March 3.

Authorized Economic Operators

ATAR prepared a presentation on Authorized Economic Operators as discussed in the Eurasian Economic Union Customs Code and gave the presentation to members of the Kyrgyz business community on Feb. 18. ATAR recorded the group's comments and delivered them to Kyrgyz Customs.

Ministry of Economy

The Head of the Association of Customs Brokers and Co-Chairman of the CCC received an official letter from the Ministry of Economy on issues of security of payments. The Ministry indicated customs brokers provide services and conduct activities solely on the territory of the Kyrgyzstan, and the Kyrgyz side in the meeting of the Council of the Eurasian Economic Commission voiced the position that the amount of security for customs brokers shall be determined by the national legislation of the member states of the Eurasian Economic Union. The decision of the Council of the Eurasian Economic Commission on this issue will be discussed further.

ATAR also met with the Head of the Customs Policy Department of the Ministry of Economy to discuss the official position of the Kyrgyz government on protecting interests of the businesses during the drafting of the new Eurasian Economic Union Customs Code.

Afghanistan Embassy in Kyrgyzstan

ATAR met with the First Secretary of the Afghan Embassy to discuss areas in which ATAR might be able to assist. The First Secretary appreciated ATAR's interest and agreed to consider the proposal. He also indicated he has good relations with the Kyrgyzstan Chamber of Commerce and Trade, and that the embassy does not have a Commercial Attaché (although he hopes to get one), the embassy does not have a website, and that the embassy has few materials for trade promotion.

Tajikistan

Customs Support

ATAR submitted recommendations for establishing the legal basis and strategy for joint customs controls with ACD at the Shir Khan Bandar and Nijni Pyanj border crossing points – incorporating provisions for extra-territoriality within the Tajik Customs Code; defining elements a legal framework for joint customs/border controls should contain; listing major components to be included within a strategy plan for the establishment of a one-stop border post with Afghan counterparts; and the re-drafted memorandum of understanding for the introduction of such controls. These are relevant to the provisions of CBTA and the WTO TFA Article 8.2.

ATAR also submitted recommendations to establish a capacity to facilitate private-sector requests for binding decisions on tariff classification and/or assessment of origin accorded to a particular good. The recommendations included a draft customs regulation complementing the draft standard operating procedures and the existing customs legal provisions; draft fact sheets proposed for publication for private-sector awareness; and best practices in respect of the application process, observing the right for appeal of any binding decision, and the general publication of any binding decision. These are relevant to the provisions of the WTO TFA Article 3.

ATAR is continuing to confirm the English translation of the Tajik Customs Code recently published in the Tajik language and which is believed to have been amended since the prior 2014 English edition.

Private-Sector Support

ATAR met with the Afghan Commercial Attaché in Dushanbe, introduced the project, and learned more of Afghan traders residing in Dushanbe, the issues they face due to the economic crisis in Tajikistan, the inability to negotiate contracts in U.S. dollars and other foreign currency, and difficulties to achieve independent business visas and driver permits to facilitate trade negotiations.

Donor Coordination

ATAR met with a delegation of the World Bank's trade policy division and other interested donors involved in public-sector development – namely GIZ and the Organization for Security and Cooperation in Euroope (OSCE) – to discuss their two analyses "Regulatory framework for trading in Tajikistan" and "Preliminary assessment of the impact of the accession to the Eurasian Customs Union."

The World Bank did not identify trade barriers affecting imports, exports, and transit movements across the Tajik borders, and the analyses of impact to future tariff schedules upon accession to the Eurasian Economic Union was not specific. The World Bank shared its preliminary analyses with the Tajik government, and the reports will be published in due course.

Turkmenistan

Research for Afghan Traders

ATAR continued researching the Turkmen dried fruit market to assist USAID's Regional Agricultural Development Program-West (RADP-W) project in Afghanistan with Turkmen market information. ATAR discovered the vast majority of imported dried fruit come from Uzbekistan. However, the price of Uzbek dried fruits is relatively high, giving Afghan dried fruit a competitive advantage.

On Feb. 28-29, ATAR met with a manager of the Afghanistan Rugs and Carpet Center, who came to Turkmenistan with an Afghan delegation. Participants discussed the potential of exporting Afghan rugs to Turkmenistan, opening up an Afghan carpet store in Ashgabat, and purchasing wool from Turkmenistan.

Technical Assistance

ATAR met with the Acting Head of the International Department of the State Turkmen Carpet Association, who informed ATAR the association was looking to expand its market to the United States and needed assistance in the form of business-to-business contacts and developing strategies. He indicated that the Chairwoman of the State Turkmen Carpet Association would discuss this with the Ministry of Foreign Affairs of Turkmenistan to move the process of approval of ATAR's proposal.

Uzbekistan

Customs Support

ATAR and Uzbek Customs Committee representatives identified possible trainings and seminars in 2016 for Uzbek Customs officials, private customs broker companies, and the Association of Customs Brokers. The proposed list of trainings and seminars covers areas such as risk management, post clearance audit, customs information technology and e-declaration, border management, border enforcement of intellectual property, and advance rulings on origin and classification.

During February, the Uzbek Customs Committee officially confirmed three trainings – border management, e-declaration, and risk management – planned for delivery by ATAR in 2016.

Trade Route Mapping Study

ATAR sent to USAID Uzbekistan the first draft of its Uzbekistan route mapping study examining constraints and legal and regulatory challenges along nodes and stretches of selected routes.

Potential Activities

ATAR met with UNDP, GIZ, and the International Finance Corp. (IFC) and discussed possible cooperation in Uzbekistan in trade facilitation:

- GIZ's 2016 work plan has been approved, and GIZ is ready to start activities. Among the priorities, GIZ indicated an urgent need in developing implementation mechanisms for the newly adopted customs code, which will come into force in mid-March 2016. ATAR will examine the customs code and identify areas for support.

- UNDP's project document for 2016 is expected to be approved by the government in March 2016. As per a discussion between UNDP and ATAR last year, UNDP included activities related to the elimination of non-tariff barriers and the streamlining of customs procedures. UNDP is ready to cooperate with ATAR when the document is approved.

- The joint UNDP-Ministry of Foreign Economic Relations, Investments and Trade (MFERIT) project is helping MFERIT in areas including a review of trade legislation for compliance with international standards. The project lacks specialists with the capacity to conduct this work. ATAR will continue discussions with UNDP to identify items that could have an impact on trade facilitation.

- IFC launched a trade facilitation project in Kyrgyzstan and Tajikistan. The IFC plans to launch a similar project in Uzbekistan for three years, pending funding expected to become available in April 2016 through the Korean Fund. IFC is open to cooperate on joint activities once funding becomes available.

ATAR also met with the Association of International Business and Technologies (AMBiT) to discuss possible support to the planned Uzbek Trade House in Mazar-e Sharif. AMBiT submitted the concept to the Uzbek government.

Component 2: Looking Forward

- Support the Pakistan Afghanistan Tajikistan Transit Trade Agreement
- Continue work related to advancing the ratification in Kyrgyzstan of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Continue supporting the WTO TFA ratification by Kyrgyzstan
- Continue TIR support
- Support Tajikistan Customs on the national strategy for integrated border management
- Plan Uzbek Customs trainings
- Continue promoting regional trade and customs initiatives with Central Asia Republics

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION[6]

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

Support Regional Integration

The Ministry of Foreign Affairs continued to review the memorandum of understanding on mutual assistance between the United Arab Emirates and Afghanistan, which was submitted by ACD following ATAR's review. ATAR is awaiting confirmation from ACD on progress regarding this initiative.

Trade Compliance

ATAR continued to send the risk management snapshot to the Deputy Minister, Director General, and concerned Directors to advise them of the current status of risk management at the regional customs sites in which ATAR has a presence. ATAR monitored the release times of consignments allocated to the green lane (immediate release), yellow lane (documentary check), or red lane (physical inspection). The below chart provides the release time in minutes for each month from June 2015 through February 2016.

	Herat ICD			HKIA			Jalalabad ICD			Balkh ICD			Aquina ICD			Sher Khan Bandar ICD		
Month	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red
June	45	60	180	50	68	75	85	98	130	60	90	120	50	90	120	60	80	150
July	40	60	145	N/A	N/A	N/A	72	90	140	40	70	90	50	90	120	40	70	100
Aug.	50	60	105	N/A	N/A	N/A	55	70	100	50	70	90	50	90	120	40	70	100
Sept.	45	70	90	N/A	N/A	N/A	54	66	100	70	90	120	50	90	120	40	70	100
Oct.	55	100	150	N/A	N/A	N/A	58	72	95	70	90	120	50	90	120	40	70	100
Nov.	55	75	90	64	85	140	52	66	90	40	70	110	50	90	120	40	70	100
Dec	45	85	105	32	50	72	40	60	90	50	80	110	50	90	120	40	70	100
Jan	NA	NA	NA	35	57	144	40	52	75	50	80	110	50	90	120	40	70	100
Feb	45	95	100	25	34	84	42	50	80	50	80	110	50	90	120	40	70	100

- All time in minutes. NA stands for unavailable.

ATAR regional specialists continued to monitor the current number of procedures at Inland Clearance Depots (ICDs) compared to the national blueprint for streamlined import procedures, which contains thirteen steps. The latest status report is below:

[6] During February 2016, Component 3's progress was hampered by a lack of international and national resources. Component 3 is recruiting to fill four international and eight national vacancies.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	0	2
New steps introduced	4	1	5	3	7
Total additional steps	5	7	6	3	9
TOTAL	**18**	**20**	**19**	**15**	22

Afghanistan National Customs Academy

ATAR met with Director Popal of the Afghanistan Revenue Department (ARD) who has been given responsibility for the Afghanistan National Customs Academy (ANCA) by the Minister of Finance. The meeting focused on ATAR's continued support, the proposed curriculum and standard operating procedures, modules developed by ATAR, and ATAR's work plan. Director Popal outlined his vision and what he expected from those working at ANCA. During the discussion, ATAR offered to re-access all trainers through a pass/fail train-the-trainers' course.

E-Pay

On Feb. 24, ATAR, ACD, Da Afghanistan Bank (DAB), and USAID met at the U.S. Embassy to progress E-Pay. It was agreed that all parties wanted to progress and see the initiative rolled out nationally to allow traders to pay customs taxes by E-Pay.

DAB said it would complete the technical specification for the software upgrade that would fully automate E-Pay by the next meeting. ATAR also said it was ready to discuss a strategy to raise awareness of all traders, customs officers, and DAB representatives and commercial banks.

Trade Awareness Program

ACD and ARD held a press conference on the launch of the Trader and Taxpayer Awareness Program on Feb. 9, and the partners held the first seminar at ANCA on Feb. 28.

Under the program, ACD and ARD will educate traders and taxpayers on subjects such as documentation needed for importing and exporting, valuation and tariffs, E-Pay, how to file and pay taxes, taxpayer rights and obligations, and the objection and appeal process for taxes. Traders and taxpayers will have the opportunity to engage with ACD and ARD officials to ask questions, raise concerns, and offer suggestions.

ACD and ARD senior management attended the launch with the ACCI Deputy Chairman Khan Jan Alokozay. Several media agencies covered the event. During an interview with ATAR, Mr. Alokozay said the program was a welcome initiative that would encourage dialogue between the public and private sector and allow traders and the government to solve problems together.



ACD and ARD hold a press conference on the Trader and Taxpayer Awareness Program.

On Feb. 28, the first trader and taxpayer awareness seminar took place at ANCA. About 60 representatives from the trader and taxpayer community attended. Both ACD and ARD delivered presentations followed by a question-and-answer session. At the end of the seminar, the majority of those attending completed a feedback questionnaire and gave a feedback rating of satisfactory and above.

ACD presentations included topics such as new reforms, customs valuation, appeals, tariffs, the Automated System for Customs Data (ASYCUDA), and E-Pay. ARD presentations included reasons taxes need to be paid, types of taxes and tax due dates, business receipt taxes, how to file and pay taxes, taxpayer identification numbers, rights and obligations of taxpayers, and tax clearance certificates.



An ACD Director welcomes participants to the first trader and taxpayer awareness seminar.

The Trader and Taxpayer Awareness Program working group will meet in March to progress this initiative with further events in Kabul scheduled for late March and mid-April. Furthermore, the working group will review the first seminar to highlight areas that were done well and those that need to be improved.

Strengthening the Capacity Building of ACD Managers

ATAR regional staff continued to draft content for management standards and a template for management and site risk profiles. This will be reviewed in March 2016 before formally submitted to ACD regional directors for discussion.

This is part of ATAR's initiative to support the capacity of ACD managers through the implementation of management standards, management profiles, and site profiles, which will allow managers to continually review their capabilities against the perceived risk to customs and how to treat those risks.

Component 3: Looking Forward

- Continue the development of ACD risk management to target non-compliant trade and facilitate compliant trade and support the risk management working group
- Continue to support the post clearance audit working group
- Review of management standards and a template for management and site risk profiles.
- Progress the national hotline and currency control initiative at Hamid Karzai International Airport
- Progress the trade awareness education program through further seminars
- Continue with dialogue to support ANCA and the reevaluation of their trainers
- Progress training modules for ANCA

ATAR ROLLING CALENDAR OF KEY EVENTS

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
March 12-14	**Customs-to-Customs Consultative Meeting**	**Afghan and Pakistani government officials**	**Karachi, Pakistan**	**C2**
March 14-15	**New Silk Road Regional Trade Workshop**	**Central and South Asian officials, donors, ATAR**	**Almaty, Kazakhstan**	**C2**
April 11-12	**South Asia Free Trade Area (SAFTA) Committee of Experts Meeting**	**SAFTA officials**	**Kabul, Afghanistan**	**C2**
April 13	**SAFTA Ministerial Meeting**	**SAFTA Ministers**	**Kabul, Afghanistan**	**C2**

*** Bold items indicate the possible presence of high-level officials and media.**

USAID | AFGHANISTAN
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USAID AFGHANISTAN TRADE AND REVENUE (ATAR) PROJECT

Looking Back: Monthly Report (February 1 – 28, 2014)
Looking Forward: Future Activities Report (March 1 – 15, 2014)

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

1. WTO Accession Process

Supported Afghanistan's completion of WTO bilateral negotiations: In a major step toward World Trade Organization (WTO) accession, Afghanistan concluded its bilateral negotiations on goods and services and the WTO scheduled the country's fifth – and possibly final – Working Party meeting for March 27.

WORLD TRADE ORGANIZATION

After substantial progress over the last few years, Afghanistan is heading into its fifth Working Party meeting on March 27. If this is the final Working Party meeting, Afghanistan will have achieved accession with the least number of Working Party meetings by any acceding country during the last decade.

In early February, Deputy Minister of Commerce and Industries Mozammil Shinwari formally signed bilateral protocols on goods and services in Geneva with four remaining countries – Turkey, Chinese Taipei, Korea, and the European Union. In total, Afghanistan has signed bilateral protocols with nine countries. As a result, the WTO finalized Afghanistan's draft consolidated schedule of concessions and commitments on goods and the draft schedule of specific commitments on services in February. ATAR supported the Ministry of Commerce and Industries (MOCI) in coordinating with the WTO, including verifying the bilateral schedules and the consolidated schedules.

On Feb. 14, the WTO circulated the draft consolidated schedules for verification by the nine countries with which Afghanistan had bilateral negotiations: the United States, the European Union, Canada, Japan, Turkey, Thailand, Korea, Chinese Taipei, and Norway. On Feb. 27, representatives from the nine

countries held an informal working group meeting on technical verification at the WTO headquarters in Geneva and confirmed the two schedules. The countries completed the technical verification and agreed to the official circulation of the final schedules to other Working Party members.



Afghanistan's Deputy Minister of Commerce and Industries Mozammil Shinwari signed bilateral protocols with Turkey, Chinese Taipei, the European Union, and Korea (clockwise from top left).

Throughout February, ATAR assisted MOCI in working with the WTO to update and fine-tune other elements of the accession package, including Afghanistan's draft Working Party Report to reflect developments and modifications and Afghanistan's legislative action plan to detail legislative progress. The WTO will circulate Afghanistan's draft accession package, including the two schedules on goods and services, to WTO members on March 3 to use as the basis for the March 27 Working Party meeting. ATAR continued to update the Dari draft Working Party Report to keep the document in line with the English text.

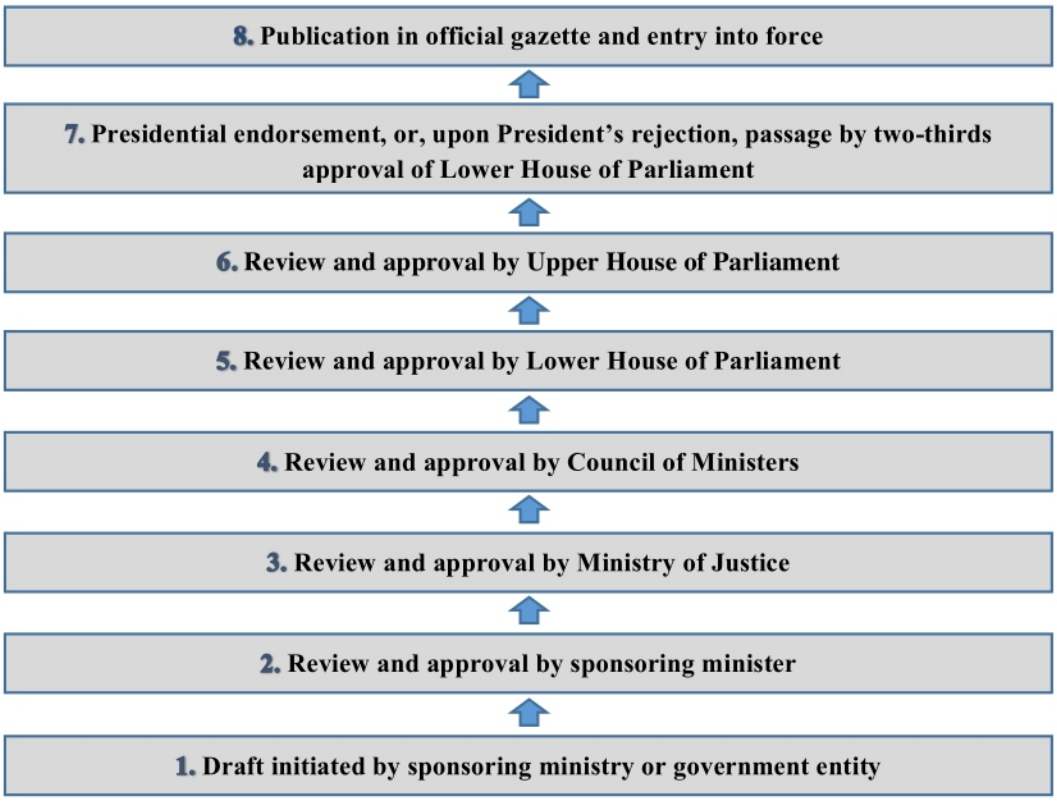
Finally, ATAR assisted in the development of the draft Information Technology Agreement (ITA) schedule, including meeting at the WTO to address gaps and inconsistencies. The WTO finalized Afghanistan's draft ITA schedule on Feb. 21 and circulated the schedule to its ITA Committee for review and confirmation. Under the ITA, participating countries eliminate duties on information technology products covered by the agreement. Developing countries have been granted extended periods for some products.

2. Legislative Reforms for WTO Conformity

Afghanistan must bring certain trade laws up to international standards to join the WTO. Although concessions are made for least-developed countries such as Afghanistan, the WTO expects full compliance before accession in major legal areas related to trade policy.

ATAR is working with the Afghan government to reform and implement these laws. The below chart is a simplified illustration of the intricate process of drafting and passing a law. At certain stages, government bodies and private-sector representatives are invited multiple times to offer input on the draft, or the draft is circulated to committees or departments within the sponsoring ministry or Ministry of Justice (MOJ) for changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

AFGHANISTAN'S LEGISLATIVE PROCESS



The table below provides the status of WTO-related legislative actions at the end of February. ATAR's active areas of support during this reporting period are highlighted in light blue in the table.

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community			
No.	**Legislation**	**Responsible Authority[1]**	**Status**
1.	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	In the first half of February, ATAR assisted MOJ in conducting consultation meetings with all relevant ministries and private-sector representatives. This process is ongoing. In addition, several amendments proposed by the Executive Board remain under discussion, as they may not be compliant with WTO.[2] In the second half of February, ATAR held further discussions with the Executive Board regarding the proposed amendments.
2.[3]	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
3.	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
4.	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA) Shahpoor Mehraban	ATAR received initial comments and suggested revisions to the draft from the ANSA Management Board. ATAR reviewed the comments and suggested revisions. ATAR expects the Management Board will complete its review by the end of March. To date, the Management Board has reviewed and approved 22 of 32 articles.
5.	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation, and Livestock (MAIL) Siyar Sahar	ATAR assisted MOJ in its final approval of the draft law. MOJ submitted the draft to the Council of Ministers on January 6. ATAR assisted MOCI in preparing a letter to MOJ, Council of Ministers, and National Assembly to introduce a few changes to ensure compliance with WTO.
6.	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi	During the first half of February, a milestone was achieved; MAIL submitted the draft law to MOJ. In addition, MAIL sent a letter to MOJ requesting the law be included in MOJ's 1393 legislative plan. In the second half of February, ATAR worked with MAIL's legal department on introducing an amendment to the draft. ATAR followed up with MOJ's relevant legal department to inform the department and take steps to begin the MOJ review of the draft law.

[1] Laws and regulations frequently require input from several local and expatriate experts. The ATAR contact points listed below the government counterpart are indicative of the reporting period and may change.
[2] The MOJ Executive Board is the last step before submission of the draft to the Council of Ministers.
[3] Procedures do not require Council of Ministers or Parliament approval and need only be approved by the Minister. Regulations require MOJ review followed by adoption by the Council of Ministers.

7.	Law on Food Safety	Ministry of Public Health (MOPH) Gary Stefan Naseeba Hussaini	The draft is at MOJ awaiting review by the relevant legislative department. MOPH agreed to proceed with the version reviewed by WTO.
8.	Procedure Customs Control of Intellectual Property Rights (IPR) (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	Throughout February, ATAR held meetings with ACD's legislative department and completed a procedure that is fully WTO compliant. The version is awaiting signature by the Minister of Finance.
9.	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	In the first half of February, ATAR met with the Executive Board to address serious concerns over proposed WTO-incompatible amendments. After nearly daily consultation and the submission of ATAR of a WTO-consistent revised draft, the Executive Board agreed to nearly 70 percent of ATAR´s proposed changes in the latter half of February. Discussions are ongoing on the remaining 30 percent.
10.	Amendments to the Law on Trade Marks of 1 September 2009	MOCI Wali Faqirzaad	In a significant development, the Legal Committee of the Council of Ministers approved the draft law without substantive changes in the first half of February.
11.	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Wali Faqirzaad	The relevant MOJ legislative department said it intends to reconsider certain aspects of the draft prior to submission to the Executive Board. In the first half of February, ATAR met with the head of the legislative department to urge discussion of the provisions at issue. In the second half of February, ATAR met with MOJ and MOCI to address certain aspects of the draft. The legislative department will submit the draft to the Executive Board by the first half of March. ATAR will follow up with the Executive Board to finalize the draft.
12.	Law on Geographical Indications	MOCI Wali Faqirzaad	The relevant MOJ legislative department completed its review. In a significant development, the MOJ approved and submitted the draft law to the Council of Ministers in the first half of February.
13.	Law on Industrial Designs	MOCI Wali Faqirzaad	The draft is at MOJ awaiting review by the relevant legislative department.
14.	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI Wali Faqirzaad	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.
15.	Law on Trade Secrets (undisclosed information)	MOCI Sayed Hashimi	The draft is at MOJ awaiting review by the relevant legislative department.
16.	Law on Topography of Integrated Circuits	MOCI Sayed Hashimi	The draft is at MOJ awaiting review by the relevant legislative department.
17.	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi	The relevant MOJ legislative department completed its review, and the draft law is awaiting submission to the MOJ Executive Board.
18.	Law on Plant Variety Protection	MAIL Siyar Sahar	In the second half of January, ATAR held discussions at MAIL to reactivate work on the law. The preliminary draft in Dari and English was submitted to the MAIL Deputy Minister per his

			request. In the second half of February, MAIL shared the draft with stakeholders and will collect comments by March 4.
19.	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad Drew Sundberg	The draft is at MOJ under review by the relevant legislative department.
20.	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Siyar Drew Sundberg	The draft is at MOJ under review by the relevant legislative department.
21.	Law on Foreign Trade in Goods	MOCI Sayed Hashimi Drew Sundberg	The draft is at MOJ under review by the relevant legislative department.
22.	Regulations on Import and Export Licensing	MOCI Drew Sundberg	The draft is finalized at MOCI and ready for submission to MOJ.
23.	Procedure on Customs Storage Fees	ACD Wali Faqirzaad	ACD finalized the draft, which is ready for submission to the Minister of Finance for signature. In the second half of January, ATAR followed up with ACD on the need to adopt this procedure as soon as possible before the next Working Party meeting.
24.	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar	In the first half of February, ATAR continued efforts to seek MOPH approval to amend and remove certain discriminatory and WTO-inconsistent taxes and fees under the current regulation. ATAR was invited to an MOPH working group to discuss the amendments and explain why they are required. Thereafter, ATAR held a meeting with the head of the pharmacy department to urge speedy approval of the required amendments. ATAR was invited to participate in weekly working groups at MOPH. In the second half of February, the working group raised concerns on proposed reforms concerning loss in revenue from license and permit fees. ATAR will follow up with meetings to encourage the working group to move forward with the draft.
25.	Value Added Tax	Ministry of Finance (MOF) Mark Waddington	The draft is at Parliament.
26.	Income Tax Law (concerning unequal treatment of import tax)	MOF Wali Faqirzaad Drew Sundberg	The draft is at MOF. ATAR met with the Afghanistan Revenue Department (ARD) Director General and ACD Director General in the first part of January to discuss the draft. The ARD Director General indicated the draft was finalized and submitted to MOJ in the latter half of January. MOJ has not yet confirmed the receipt of this draft.
27.	Law on Minerals	Ministry of Mines and Petroleum	The draft is at Parliament. In the second half of February, ATAR met with USAID's Mining Investment and Development for Afghanistan Stability (MIDAS) project to

		(MOM) Farhat Farhat	discuss the draft law. The draft is under review by the Lower House and has not reached the Upper House. ATAR provided MIDAS with input on possible WTO implications of certain provisions of the draft law.
28.	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi Drew Sundberg	The draft is awaiting review by the relevant MOJ legislative department.

Encouraged addition of WTO-related laws to MOJ 1393 legislative agenda: ATAR continued throughout February to meet with relevant ministries and agencies to persuade them to formally request the addition of all outstanding WTO-related laws on to the MOJ 1393 legislative agenda. ATAR also met with the MOJ Executive Board Members to ensure that ministries are submitting the correct WTO-related laws in their request.

On Feb. 19, ATAR attended a working lunch and meeting with MOJ's Executive Board, key advisors, and legal staff to follow up on items discussed at presentation given by USAID and ATAR on Feb. 17, discuss the 1393 agenda, and promote a dialogue with the Executive Board. MOJ expressed its appreciation for ATAR's efforts and a desire to deepen its working relationship with ATAR.

In the second half of February, at the request of the senior legal advisor to the Minister of Justice as well as other Executive Board members, ATAR and MOJ tentatively agreed to draft a joint memorandum of understanding outlining the roles and responsibilities of each party. ATAR prepared a draft in Dari and English and is reviewing the drafts before submission to MOJ for comments.

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Prepared for implementation of food safety law: ATAR coordinated with MOPH throughout February on the preparation of draft regulations or procedures regarding implementation of the food safety law and the establishment of a food regulations working group.

In early February, ATAR met with MOPH to plan for six seminars on food safety standards, prepare for the establishment of the working group, and plan for 15 roundtables to present draft regulations. At MOPH's request, ATAR prepared an agreement between ATAR and MOPH regarding the planned activities.

In the second half of February, ATAR submitted the agreement to MOPH for its review. In addition, ATAR supported MOPH in drafting nine of 15 draft model food regulations in Dari to use as a basis for discussions in the working group. ATAR also met with MOPH staff to finalize details for the first meeting of the food regulations working group, scheduled for March 4. Participant will include representatives from MOPH, MAIL, MOCI, ANSA, MOJ, the Afghanistan Chamber of Commerce and Industries (ACCI), the Afghanistan Investment Support Agency (AISA), the Export Promotion Agency of Afghanistan (EPAA), the Kabul Chamber of Commerce and Industries (KCCI), and Kabul University.

Prepared for implementation of law on plant protection and quarantine: In support of the law on plant protection and quarantine, ATAR began in early February reviewing the existing regulation on plant quarantine services and identified provisions that are incomplete or inconsistent with International Plant Protection Convention (IPPC) standards.

In the first half of February, ATAR began working with MAIL to replace sections of the regulation with language that reflects IPPC standards. ATAR determined about 50 percent of the draft needs significant changes based on inconsistencies with international standards. ATAR met several times with MAIL's Plant Protection and Quarantine Directorate (PPQD) to explain the necessity of the changes.

In the latter half of February, ATAR held meetings with the PPQD director and his technical team to bring about the proposed changes. ATAR also delivered three seminars covering different International Standards for Phytosanitary Measures (ISPMs) relevant to MAIL's draft plant protection and quarantine law to PPQD's top management and technical team.



ATAR conducted three seminars on phytosanitary measures for staff of the Ministry of Agriculture, Irrigation and Livestock.

Prepared for implementation on law on animal health and veterinary public health: ATAR prepared draft model regulations and more than a dozen model procedures during February for implementation of import/export-related aspects of the law on animal health and veterinary public health.

ATAR will present these model regulations and procedures to MAIL in the first half of 2104 and facilitate the formation of a working group for effective and proper implementation of the law on animal health and veterinary public health.

Prepared for implementation of law on copyrights and related rights: During February, ATAR completed documents to build awareness and advance the implementation of the law on copyrights.

In February, ATAR prepared an article on copyrights protection in Afghanistan; a pamphlet on the implementation of the copyright law in Afghanistan; copyrights awareness materials in the field of music; and copyrights awareness for publishing.

ATAR also prepared materials to train judges and lawyers in March on the implementation of the law on copyrights and related rights. ATAR will work in the MOIC in March to build its capacity to educate stakeholders on protecting their intellectual property rights under the law on copyrights and related rights.

Prepared for implementation of customs law: ATAR began translation in February of the training manual to build the technical capacity of potential ACD customs valuation trainers. ATAR continued efforts to coordinate with ACD to select trainers for this 22-session program. ATAR expects the training to start around March 8 and be completed by March 20.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Supported ANSA in standards development: Throughout February, ATAR supported ANSA in purchasing International Organization for Standardization (ISO) and British Standards Institute (BSI) standards to adopt as national standards.

In the latter half of February, ATAR received 21 important conformity assessment and management system standards from the ISO and delivered the standards to ANSA for their further processes of adoption as national standards for Afghanistan.

Throughout February, ATAR worked with ANSA to prepare a list of media and prioritize them for an ANSA awareness programs for public and private sectors, traders, exporters, importers, and manufacturing companies.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

Provided training and assistance to WTO unit: ATAR continued throughout February to provide on-the-job training and technical assistance to MOCI's WTO unit in supporting the sustainability and capacity of the unit in concluding WTO negotiations.

In addition, ATAR launched discussions to build initial capacity in understanding the new WTO Agreement on Trade Facilitation. The agreement, reached at the Bali Ministerial Conference in December 2013, contains provisions for faster, more efficient customs procedures through cooperation between customs and other authorities on trade facilitation and customs compliance issues.

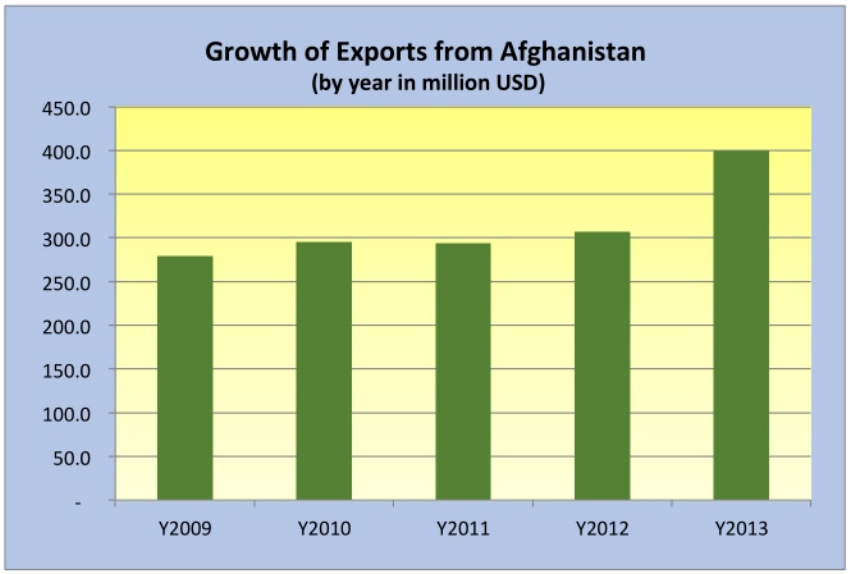
6. Building Analytical Capacity

Built capacity of TPAU and relevant stakeholders: Throughout February, ATAR continued training MOCI's Trade Policy Analysis Unit (TPAU) and MOCI's WTO unit to build their capacity and support sustainability.

In the first half of February, ATAR conducted a roundtable regarding the elimination of tariff items from Afghanistan's sensitive list as a step under the South Asia Free Trade Area (SAFTA) agreement. The roundtable covered the proposed reduction of about 70 tariff lines from Afghanistan's sensitive list, and participants will discuss the reductions at another next roundtable meeting in March. Participants came from MAIL, ACD, MOM, Da Afghanistan Bank (DAB), EPAA, AISA, and ACCI.

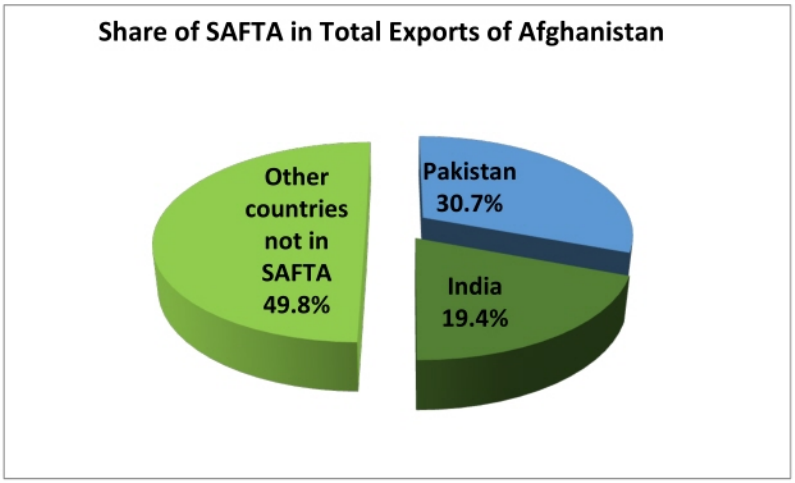
In early February, ATAR gave seminars for TPAU staff and Kabul University students on trade policy tools, including case studies to estimate the impact of SAFTA on trade, revenue, balance of payments, and consumer welfare.

ATAR also began trainings to TPAU staff to further develop economic models to analyze the impact of trade liberalization. Throughout February, ATAR continued to provide training on the collection of economic indicators and import/export data broken down by commodities and by countries for an annual trade policy review to be published by MOCI with ATAR support. Based on ACD data, exports from Afghanistan increased by 40 percent in 2013 over 2012 as a result of economic growth and trade liberalization. The value of Afghanistan's total imports remained essentially unchanged.



ACD data showed that Afghanistan's exports rose 40 percent in 2013 as a result of economic growth and trade liberalization.

In the latter half of February, ATAR supported the TPAU in preparing about 30 tables and charts as a part of the trainings. ATAR assisted MOCI in preparation of the list of export interest items of Afghanistan to Pakistan and Sri Lanka for duty-free access. MOCI will send a total of 12 items for Pakistan and 46 items for Sri Lanka to the SAARC Secretariat.



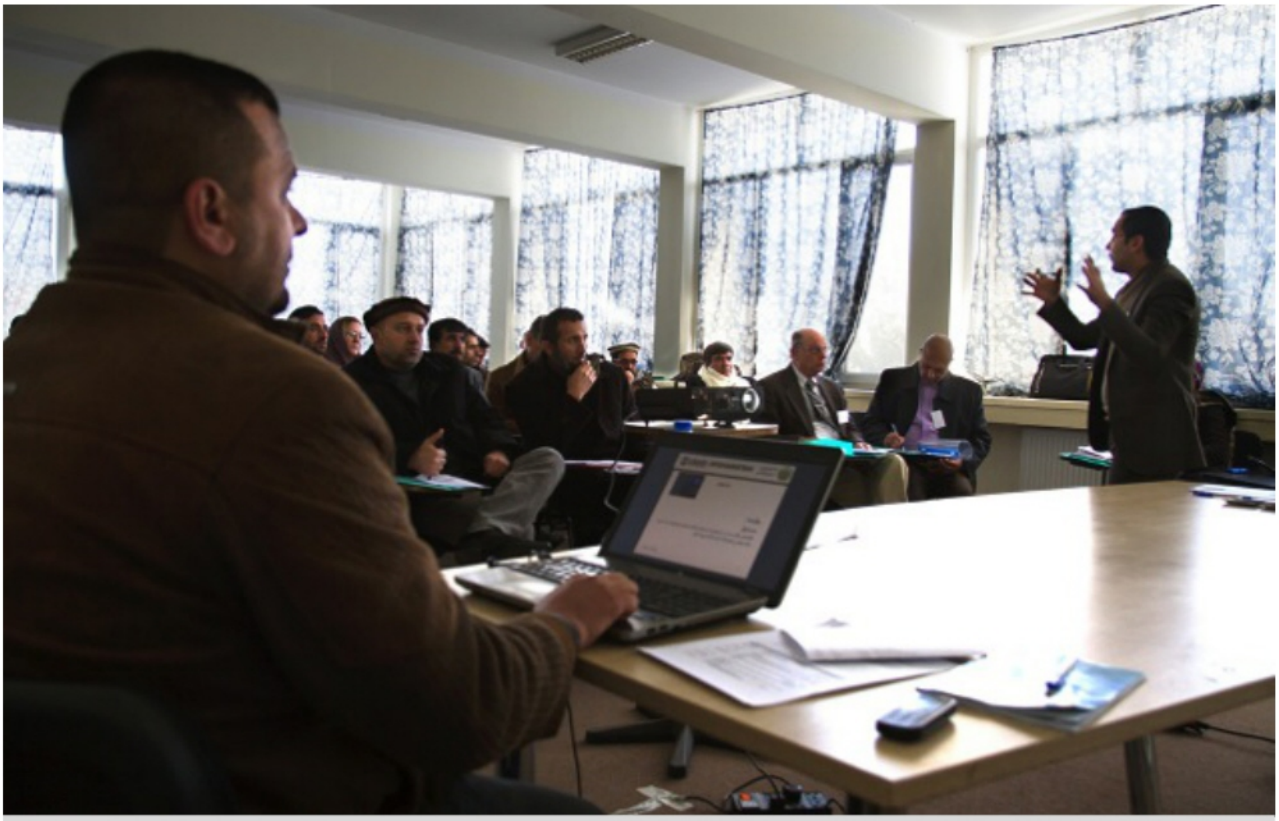
Afghanistan's exports to Pakistan and India, the two largest SAFTA members, comprise more 50 percent of total exports. ATAR is working to boost exports to other SAFTA countries.

ATAR also assisted the TPAU in analyzing Pakistan's revised sensitive list and identified 19 tariff items excluded from the list and about 50 items excluded from Sri Lanka's sensitive list. ATAR will inform Afghan traders regarding benefits from zero duties from these countries and opportunities for Afghan traders in the new market of Sri Lanka.

Participated in SPS coordination workshop: In the first half of February, ATAR gave presentations on its sanitary and phytosanitary standards (SPS) activities at an SPS coordination workshop sponsored by the European Union's Animal Health Development Programme (AHDP) and held at MAIL.

ATAR delivered presentations on subjects such as the WTO's SPS agreement, an overview of the animal health and quarantine law, and ATAR's SPS activities. Participants included MAIL, USAID, Purdue University, the United States Department of Agriculture, the Asian Development Bank (ADB), Relief International, and the Dutch Committee for Afghanistan.

The workshop covered assistance provided by projects and organizations working in the animal health sphere of SPS, their mandates and activities, and SPS legislation under development. The workshop also aimed to create a mechanism for better communication and coordination to avoid duplication of efforts.



ATAR gave presentations at a sanitary and phytosanitary coordination workshop designed to bring stakeholders together, share knowledge, and coordinate activities.

Participated in RADP-S coordination meeting: In early February, ATAR attended USAID's Regional Agriculture Development Program-South (RADP-South) coordination meeting that introduced the new RADP-S project and facilitated coordination between USAID implementing partners contributing to agricultural and agribusiness development in southern Afghanistan. ATAR had an opportunity to introduce the project in general and ATAR's contribution to agribusiness.

Provided technical support for customs valuation implementation: Throughout February, ATAR assisted ACD in identifying and addressing improper or incomplete implementation of the Tariff and Valuation Management Tool (TARVAL) database.

TARVAL is a customs valuation database established under USAID's Trade Accession and Facilitation for Afghanistan (TAFA) projects to generate compatible information for ASYCUDA with more security, transparent and auditable processes, and stored historical data.

In the first half of the February, ATAR began to make amendments in TARVAL to bring it in line with the Automated System for Customs Data (ASYCUDA) World, the latest ASYCUDA version. In the second half of February, ATAR continued to provide technical guidance and help to ACD in cleaning the available data to bring it in line with the ASYCUDA World database structure. More than 11,000 records out of almost 20,000 have been cleaned and formatted. TARVAL's data exchange mechanism has been re-engineered and tested successfully, and raw data can be restructured automatically as needed for upload into ASYCUDA World.

In addition, ATAR assisted ACD in drafting a new standard operating procedure regarding the implementation of the ASYCUDA valuation module and provided ACD with a proposal addressing proper implementation of all tariff policy measures.

7. Building Nationwide WTO Awareness

Assisted in a USAID-led presentation to MOJ on WTO: ATAR assisted in a USAID-led event on Feb. 17 to present an overview of the WTO, its importance for Afghanistan, and the benefits of WTO accession, including access to the WTO Dispute Settlement Body and data comparing economic performance of developing countries pre- and post WTO accession.



ATAR assisted in a USAID-led presentation at the Ministry of Justice informing participants of the importance of WTO accession and supporting WTO-related legislation.

Nearly 50 key MOJ legal and Executive Board staff attended the event. At the end of the event, the senior legal advisor to the Minister of Justice urged that the same presentation be given to key line ministries that are working with MOJ on WTO-related laws. He stated the presentation built awareness and support for WTO accession. He said holding similar events with line ministries would facilitate support for WTO laws when MOJ consults directly with the ministries on draft laws.

Component 1: Looking Forward

- Continue support as requested by MOCI in fine-tuning the draft Working Party Report and outstanding policy issues related to WTO accession.
- Support Afghanistan's Participation in Afghanistan's Working Party meeting planned for March 27.
- Continue support to advance WTO-related draft legislation, regulations, and procedures, particularly regarding customs, copyrights, patents, food safety, veterinary health, standards, fees for the import of medicines, intellectual property border enforcement, customs storage fees, and plant variety.
- Participate in MOPH working group meetings to urge adoption of amendments to the regulations of production and importation of medicines and medical equipment for WTO- conformity.
- Support MOJ and line ministries in finalizing the 1393 agenda to include WTO draft laws.
- Continue to support MAIL to amend draft regulations for plant quarantine and protection.
- Work with MOPH to establish a working group for preparing implementing regulations for food laws, prepare seminars on food safety standards, and hold the initial meeting of the working group on March 4.
- Launch work with MAIL to start development of implementing regulations for the law on animal health and veterinary public health.
- Organize training for judges and lawyers on implementation of copyrights laws.
- Develop local capacity for building awareness of copyrights protection in Afghanistan.
- Continue supporting TPAU in developing economic models in Excel as a tool for tariff and trade policy analysis,
- Support TPAU in summarizing the WTO tariff commitments and compare with current tariff regime.
- Continue providing training and seminars for TPAU on the preparation of the annual review of external trade and tariff and trade policy.
- Conduct at least two WTO awareness seminars at key line ministries.
- Deliver training for ACD trainers on WTO Valuation Agreement principles.
- Further develop TARVAL according to ACD requirements.

COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. Afghanistan

Supported Afghan traders at Gulfood: ATAR collaborated with USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project and USAID's Commercial Horticulture and Agriculture Marketing Program (CHAMP) to support Afghan agri-businesses in signing more than $8 million in deals at Gulfood 2014 in Dubai.

Twenty-one Afghan traders, almost half of whom were businesswomen, participated in the exhibition, which was held from Feb. 23-Feb. 27. ATAR invited seven of the companies, one of which was owned by a businesswomen, and supported the businesspeople in negotiating deals with international buyers and leading trips to local markets to help the traders understand international requirements.

By the end of the event, ATAR-supported traders had signed more than $1.9 million in deals for the export of saffron and juice. The ATAR-supported traders also had possible deals worth $8.2 million that they were pursuing for dried fruit and nuts, saffron, and juice. ATAR will track these possible deals at regular intervals over the next six months and guide these traders to resources to help them export their products.

TOTAL SIGNED CONTRACTS FOR ATAR-SUPPORTED TRADERS					
Company	Item	liters/kg	Price	Total Price	Buyer's Country
Omaid Bahar Fruits Processing Facility Ltd.	Juice	1,200,000 liters	$1 (approximate)	$1,500,000	United Arab Emirates
Afghanistan Saffron Co.	Saffron	50 kg	$1,800	$90,000	Spain
Benazir Saffron	Saffron	0.50 kg	$1,800	$900	Saudi Arabia
		0.50 kg	$1,800	$900	United States
		0.60 kg	$2,200	$1,320	United States
		180 kg	$1,850	$333,000	India
GRAND TOTAL				$1,926,120	

In preparation for the event, the three projects rented a booth at Gulfood, contracted a company to construct the booth, prepared a memorandum of understanding between the projects and traders, and held an orientation session in Kabul to brief the traders prior to the event. ATAR prepared press releases before and after the event, created invitations, printed an Afghanistan trader and produce booklet, and designed the Afghanistan booth on behalf of the three projects.

In total, the traders supported by the three projects signed more than $8 million worth of contracts to export agricultural items, including figs, pine nuts, dried apricots, walnuts, almonds, juice, and saffron, to buyers from Saudi Arabia, the United Arab Emirates, Spain, Malaysia, China, Turkey, India, Bahrain, and the United States. Traders supported by TAFA, CHAMP, and FAIDA had signed more than $2.3 million during Gulfood 2013.

Gulfood is the world's biggest annual food exhibition and attracted 4,500 exhibitors and tens of thousands of buyers and visitors this year.



ATAR worked with other USAID projects to support Afghanistan's participation in Gulfood 2014 in Dubai and in taking Afghan traders on trips to Dubai markets. The traders signed more than $8 million in deals.

Provided support to EPAA: ATAR supported an Export Promotion Agency of Afghanistan (EPAA) delegatation in a trip to plan for Expo Milano 2015, which is expected to attract 20 million visitors over a 6-month period from May 31, 2015, through Oct. 31, 2015.

With ATAR support, EPAA attended the event's organizational conference to become familiar with the event's organization and features. EPAA applied for and secured free design and construction of the Afghanistan pavilion and held several meetings with the designer of the pavilion. EPAA also secured support for other budget items, including free container freight, and secured a partner for a commercial mission of Afghan traders to Europe in September.

With this support, ATAR is helping make Afghanistan's presence possible in such an important event by helping reduce budget needs, secure sources of income, and establish an appealing pavilion.

Throughout February, EPAA and ATAR continued developing a cost-competitiveness analysis for 10 Afghan products, including almonds, raisins, figs, saffron, marble and gemstones, for selected countries in central Asia and abroad. In addition, ATAR helped EPAA act as an intermediary between Italian cashmere buyers looking for Afghan sellers; EPAA provided a list of 11 cashmere producers to meet with Italian buyers who will be visiting Herat and Kabul. ATAR also facilitated communication between EPAA and other Italian importers, resulting in 30 Afghan exporters in the dried fruit, fresh fruit, and saffron being linked with the importers.

Participated in business-to-business session between Afghan, Uzbek and Kazakh businesses: ATAR participated in the Afghan, Uzbek and Kazak Business Matchmaking Conference on Feb. 24-25 in Mazar-I-Sharif to strengthen relationships between the countries' traders and forge business deals.

More than 20 Uzbek companies and associations, more than 15 Kazakh companies and associations, and more than 100 Afghan businesses participated in business-to-business meetings. The event organizers included USAID's Regional Economic Cooperation (REC) project, the Balkh Chamber of Industry and Commerce, the Embassy of the Republic of Kazakhstan to Afghanistan, the National Chamber of Entrepreneurs of Kazakhstan, and the Agro Information Innovation Center of Uzbekistan.

At the margins of the business-to-business meetings, ATAR met with a representative of Uzbekistan's Association of International Businesses who shared an agenda regarding an invitation of Afghan traders to visit Uzbekistan. ATAR will follow up on this in coordination with REC and the Association of International Business.

Supported preparations for CABOC: In the latter half of January, ATAR began coordinating with USAID to develop a strategy to support Afghanistan's participation in the Central Asia Business Opportunity Conference (CABOC) to be held in Islamabad, Pakistan, in mid-April.

ATAR supported the Kabul Chamber of Commerce and Industries (KCCI) in holding a consultative meeting with Afghan representatives of the fruit and vegetable sectors on Feb. 22 at KCCI to inform attendees of the CABOC event, identify possible participants for CABOC, and identify their challenges in exporting and importing. Nine businesses from the fruit and vegetable sector and USAID's CHAMP attended the event.

ATAR compiled a list of around 20 issues raised by businesses, including uncertainty regarding Afghanistan's political situation; municipal taxes and fees on fruits and vegetables; corruption at government agencies; lack of implementation of law; informal fees and taxes on highways; difficulty in obtaining visas to India and Pakistan; and lack of knowledge about markets. ATAR will follow up to validate these issues and prepare appropriate recommendations.

CABOC aims to provide an opportunity for Central Asia and South Asia businesses to exchange information and establish links with each other as well as to have direct interactions and meetings with government officials. The conference is three days including one day for business-to-business meetings, a second day for business-to-government meetings, and a third day for government-to-government meetings.



ATAR worked with the Kabul Chamber of Commerce and Industries to discuss challenges faced by Afghan fruit and vegetable traders.

Worked toward CBTA 5 ratification: After ATAR's extensive efforts throughout the year, the Ministry of Foreign Affairs (MOFA) submitted the Cross Border Transport of Persons, Vehicles, and Goods Agreement (CBTA)/Corridor 5 agreement and accession protocol to the Council of Ministers on Feb. 24 through an official letter.

The package contains 62 pages, including the agreement and the accession protocol. ATAR will track the status of CBTA 5 at the Council of Ministers to ensure it is approved as soon as possible. The Council of Ministers will have to approve the package and then further submit it to the National Assembly for ratification.

The CBTA aims to facilitate movement of goods, vehicles, and people along Corridor 5 of Central Asian Regional Economic Cooperation (CAREC) program, which promotes cooperation and development in Central Asia. The agreement will automatically eliminate a number of barriers, including transshipment for movement of trucks across borders.

2. Kyrgyz Republic

Mobilized local personnel at the Kyrgyz Republic office: In the first half of February, ATAR employed two local staff members for the project's office in the Kyrgyz Republic, and the employees began reviewing various initiatives that would help improve trade between the Kyrgyz Republic and Afghanistan.

During February, the staff examined the status of implementation of a Comprehensive Integrated Tariff System (CITS). ATAR is assisting the Kyrgyz Republic's customs service in developing a CITS, which would ensure greater transparency and access to information regarding import and export trade and transit

regulations. Through CITS, an Afghan trader could have access to information on all regulatory requirements applicable to products imported into or exported from the Kyrgyz Republic.

The employees also examined the status of implementation of the Kyrgyz Republic's authorized economic operators (AEO), which would provide benefits for Afghan traders who qualify under this system. An AEO is a party involved in the international movement of goods that has been approved by or on behalf of a national customs administration as complying with World Customs Organization or other supply chain security standards.

The staff also reviewed the Kyrgyz Republic's computerized risk management and post-clearance audit system. These systems facilitate trade by decreasing the number of inspections for less risky shipments and traders.

In the latter half of February, ATAR conducted a meeting with the Kyrgyz Republic's director of the Single Window State Enterprise to discuss existing resources on non-tariff measures and possible cooperation on CITS. ATAR also held an informal meeting with the head of the customs policy department of the Ministry of Economy to discuss further cooperation on trade and customs issues.

In the second half of February, ATAR started preparations for the review of the Kyrgyz Republic's compliance with the WTO Trade Facilitation Agreement and identifying and collecting relevant legislation for implementation of this new agreement. In addition, staff started reviewing the Kyrgyz Republic's draft strategy for export development to identify the country's priorities and ATAR's possible contribution.

3. Tajikistan

Conducted roundtables on APTTA: In the first half of February, ATAR conducted presentations and held discussions on the Afghanistan Pakistan Transit Trade Agreement (APTTA) for Tajik government officials and for representatives of the Tajik private sector.

Officials from Tajikistan's Ministry of Economic Development and Trade, Ministry of Transport, and State Customs Service as well as staff from the U.S. Embassy and USAID in Tajikistan took part in a presentation targeting the Tajik government. Tajikistan's Deputy Minister of Economic Development and Trade Umed Davladzod said the Tajik government is interested in negotiating the Pakistan Afghanistan Tajikistan Transit and Trade Agreement (PATTTA), which would be an expansion of the APTTA. ATAR will continue to provide follow-up assistance for the Tajik government to facilitate PATTTA negotiations.

ATAR also conducted an APTTA presentation for Tajikistan's private sector in early Feburary in partnership with the Tajikistan Chamber of Commerce and Industries. Participants showed great interest in future PATTTA negotiations and expressed a desire for the private sector to be involved in the decision-making process while negotiating PATTTA. The private sector requested that ATAR organize a similar event with participation of both the public and private sectors to ensure the public sector is aware of the problems faced by the private sector.



In partnership with the Tajikistan Chamber of Commerce and Industry, ATAR held a presentation on the Afghanistan Pakistan Transit Trade Agreement for Tajikistan's private sector.

Introduced to the deputy chairman of Tajikistan's State Customs Service: In the first half of February, representatives of the USAID/Tajikistan economic growth office introduced ATAR to the deputy chairman of Tajikistan's State Customs Service.

The deputy chairman welcomed ATAR, appointed the deputy head of Tajikistan's customs international relations unit as the point of contact for ATAR, provided an update on a plan to adopt the Agreement on Cooperation and Mutual Assistance in Customs Matters with Afghanistan by the end of March 2014, and requested ATAR's support with efforts to build the capacity of Tajikistan customs information technology unit.

In the last half of February, ATAR held a second meeting with the Tajik Customs International Relations staff to advise on the Agreement on Cooperation and Mutual Assistance in Customs Matters with

Afghanistan, to present the concept and progress in development of the electronic data interchange initiative developed by ATAR, and to discuss requirements for assistance in risk profiling, post-clearance audit, AEO initiatives, a CITS capability, and the capacity of its information technology unit.

Held meeting with Panj: In the first half of February, ATAR met with the head administrator of the Free Economic Zone (FEZ) Panj, a free economic zone located on Tajikistan's border with Afghanistan. FEZ Panj is a state owned enterprise under the guidance of the Ministry of Economic Development and Trade, one of ATAR's counterparts.

The FEZ PANJ introduced the organization, its infrastructure, and clients conducting cross-border transactions between Tajikistan and Afghanistan, and expressed a desire to collaborate with ATAR to improve the customs capability at the Nijni Panj/Shirkhan Bandar crossing on the border between Tajikistan and Afghanistan.

Participated in pre-implementation of Single Window initiative: In the first half of Feburary, ATAR participated in reviewing a test application of Tajikistan's Single Window in a test environment with the European Union country representative, the GIZ trade facilitation team, and the software development team. ATAR also participated in discussions on legal and procedural issues regarding the Single Window.

Such a system enables cross-border traders to submit regulatory documents at a single location and/or single entity. To increase cross border cooperation, reduce corruption, and enable pre-arrival declaration and sharing of trade and transit information, ATAR began activities with Tajikistan's State Customs Service to develop a customs-to-customs electronic data interchange node between Tajikistan and Afghanistan.

Introduced TAKDEC to the State Customs Service: In the second half of February, ATAR began activities with Tajikistan's customs authorities to introduce a customs-to-customs electronic data interchange node between Tajikistan and Afghanistan to increase cross-border cooperation, reduce corruption, and enable pre-arrival declarations and sharing of trade and transit information.

ATAR installed the Tajikistan-Afghanistan-Kyrgyz Republic Data Exchange for Customs (TAKDEC) application in a test environment and presented the application to Tajikistan's customs information technology unit. ATAR also developed an administrator's manual and a user's manual for generic application within Afghanistan, Tajikistan and Kyrgyzstan.

Met with the IOM: In the latter half of February, ATAR met International Office for Migration (IOM) researchers conducting a baseline study on conflict and barriers to trade along the Tajik-Afghan border, including household surveys to assess the impact of increasing trade between Tajikistan and Afghanistan. ATAR and IOM discussed how to continue collaboration on similar cross-border activities with common stakeholders. Earlier in January ATAR had contributed trade statistics to this research team.

4. Turkmenistan

Prepared for ATAR's Turkmen activities: In the first half of February, ATAR met with USAID and the U.S. Embassy in Turkmenistan to plan activities and explore options for presenting ATAR to Turkmen authorities. It was agreed to focus ATAR's first year's activities on the following:

- Capacity to prepare an effective export development strategy for increasing competitiveness of Turkmen goods and exports to regional and global markets.
- Capacity to develop an export promotion strategy, export promotional tools, and materials.
- Assistance to increase competitiveness by improving trade regulations to lower costs and conform to international quality standards and product safety requirements.
- Assistance in identifying export opportunities and facilitating business linkages.
- Capacity building on techniques to effectively trade with other countries.
- Capacity building for in-depth understanding of WTO customs-related agreements.
- Strengthening the capacity of the Turkmen customs training center.
- Streamlining costly and unnecessary trade/customs related procedures and requirements.

USAID/Ashgabad and ATAR believe a long-term expatriate should not be fielded at this stage in Turkmenistan. Initial short-term ATAR missions will build confidence, and ATAR will aim to field a long-term expatriate in about six months. In the meantime, USAID/Ashgabad suggested Mr. Farhat Farhat be the acting expatriate for Turkmenistan and travel to Ashgabad as requested by USAID/Ashgabad office. ATAR will keep long-term local presence in Turkmenistan to coordinate ATAR's activities and support analytical activities. With USAID/Ashgabad's agreement, ATAR will begin mapping and analyzing customs import, export, and transit procedures and non-tariff-barriers.

In early February, ATAR also met with a number of donors in Turkmenistan, including ADB, the European Union, and the United Nations. None of the donors appears to be engaged in any of the activities ATAR plans in Turkmenistan. ATAR also met with the head of the union of economists of Turkmenistan and discussed economic situation and government priorities.

During the second half of the month, ATAR began collecting various Turkmen laws and regulations governing customs operations and non-tariff barriers to trade.

5. Uzbekistan

Worked on mobilization of ATAR local personnel: ATAR continued through the month work on recruiting and hiring local personnel to staff the Uzbekistan office.

6. Region-Wide

Completed trade matrix: In the first half of February, ATAR completed the Central Asian Republic (CAR) illustrative trade issues matrix. The matrix includes Afghanistan, Pakistan, Tajikistan, Uzbekistan, Kyrgyz Republic, India, Turkmenistan, and Kazakhstan and covers topics such as trade policies, cross-border issues, bilateral agreements, and trade disputes among the countries. ATAR provided the matrix to USAID, and the matrix will be used for coordination, planning, and monitoring purposes.

In the second half of February, ATAR launched a regional study to assess the level of conformity with the new WTO Agreement on Trade Facilitation.

Component 2: Looking Forward

- Awaiting advice from the U.S. State Department to conduct a formal meeting with the Tajik Ministry of Transport to introduce ATAR and discuss activities and priorities of the counterpart.
- Receive feedback from Tajikistan's customs for its requirements on capacity building in specific areas.
- Present the TAKDEC concept and application to the senior managers of Tajikistan customs to gain preliminary approval for full implementation of the system.
- Meet with the GIZ Trade Facilitation team to confirm areas of collaboration and deliverables for the proposed work with the Tajik Veterinary Service.
- Meet with the GIZ trade facilitation team to discuss the resolution between the State Customs Service and the Tajik Standards Agency regarding the conditional release of mandatory certified goods.
- Continue work on facilitating a memorandum of understanding between the chambers of commerce and industries of Tajikistan, the Kyrgyz Republic, and Afghanistan on establishing a joint business council.
- Work on facilitating an Afghan delegation visit to Tajikistan to start consultations on PATTTA and translate the proposed PATTTA into Russian.
- Translate the TAKDEC generic documents, including the presentation of the concept, administrator's manual and user's manual, into Russian, Dari and Pashtu and provide to Afghan and Tajik customs officials for comment.
- Complete translation of APTTA and WTO Trade Facilitation Agreement texts into Russian language.
- Through the USAID Country Mission in Kyrgyz Republic, start introductions to key government and private-sector counterparts.
- Start the process of collecting information for launching import/export/transport process mapping and identification and analysis of non-tariff barriers to trade in Turkmenistan.
- Present TAKDEC to the Kyrgyz Republic State Customs Committee.
- Continue work toward regional conformity assessment with the WTO Trade Facilitation Agreement.
- Follow up with REC on interest by Uzbek businesses to link up with Afghan businesses.
- Start study on identifying goods of interest to regional traders covering CAR-Afghanistan-South Asia.

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

Customs 3a: Improved Tax Administration

Progressed on VAT work plan: The USAID trade team reached a provisional agreement with the Department for International Development (DFID) in the first half of February to refocus ATAR resources to directly support value added tax (VAT) implementation in ACD. ATAR drafted a briefing paper for USAID with indicative activities.

In the first half of February, ACD's director general of customs supported the proposal for VAT-focused technical assistance for his department and said he would nominate a senior staff member as the VAT counterpart for ATAR. The director general also agreed the ATAR VAT program manager would accompany him to the VAT steering committee meetings.

In the latter half of February, ATAR held a meeting with Adam Smith International Tax Administration Project (TAP) to discuss how ATAR can best complement existing work in the Afghanistan Revenue Department (ARD). Both projects agreed ACD must take ownership of the VAT agenda and understand an effective VAT relies just as much on ACD as ARD. ACD will have to strengthen its information profiling, information handling, and information exchange before VAT is implemented

Customs 3b: Improved Customs Reform

Reviewed streamlined customs procedures: ATAR continued throughout February to collect and collate data from the regions on the implementation of streamlined customs import procedures and risk management.

ATAR will encourage compliance at the local level to put procedures in line with the approved streamlined customs procedures blueprint in place upon completion of USAID's Trade Accession and Facilitation (TAFA) projects. ATAR's regional staff will work with ACD to try to remove unnecessary steps added after TAFA's completion. ACD has already removed three redundant steps in Jalalabad after discussions with ATAR.

The table below shows both the number of non-compliant steps and percentage of selectivity under risk management at each customs location at which risk management is being implemented. ATAR's review of risk management, for example, showed that declarations going through green lane (no inspection) dropped to 10 percent at KIA while declarations through the red lane (physical inspection) and yellow lane (document inspection) rose in some cases to as high as 50 and 60 percent, respectively. This slows trade, wastes staff resources, and increases opportunities for corruption, but it does not increase effectiveness in managing risk. During the TAFA projects, KIA had an impressive 26 percent of declarations going to the green lane based on risk profiles developed and implemented with TAFA assistance. This resulted in quicker customs clearance for compliant traders and allowed ACD to allocate staff to other areas in which they were needed.

ACD Location	ATAR Review of Customs Procedures in Early 2014	ATAR Review of Risk Management Clearance Selectivity in Early 2014
Kabul International Airport	Seven non-compliant steps	RED: 60% YELLOW: 30% GREEN: 10%
Jalalabad ICD*	Six non-compliant steps (Three steps removed after discussion with ATAR)	RED: 28% YELLOW: 50% GREEN: 22%
Kabul ICD	Five non-compliant steps	RED: 50 % YELLOW: 20% GREEN: 30%
Herat	Three non-compliant steps	RED: 30 % YELLOW: 20% GREEN: 50%
Hairatan	Seven non-compliant steps	RED: 40% YELLOW: 30% GREEN: 30% *
Torkham	Three non-compliant steps	RED: 29% YELLOW: 50% GREEN: 21%
Kandahar	To be completed	RED: 41% YELLOW: 43% GREEN: 16%

** ACD is reporting a figure of 30 percent channeled through the green lane, but all cargo appears to be going through the red or yellow lanes regardless of selectivity.*

Delivered training on automated selectivity and risk management: During the latter half of February, ATAR delivered training in automated selectivity and risk profiling to 15 ACD staff in the intelligence and risk management unit from Feb. 25-26.

ACD is implementing risk management, an International Monetary Fund benchmark, at Kabul International Airport (KIA), Kabul Inland Clearance Depot (ICD), Jalalabad ICD, Mazar-I-Sharif ICD, Herat ICD, and Kandahar ICD, but the system needs improvement. ATAR is working to change the systems in place that are based on tariff code numbers and do not support trade facilitation. The system based on tariff codes is a "catch all" profiling system that targets commodities and does not differentiate between compliant and non-compliant importers.

ATAR is working with ACD's risk management unit to develop profiles that take into account infraction and historical data based on broker, importer, and origin. ATAR has reviewed data recorded on the import declaration Single Administrative Document and has recommended that exporter details, vehicle and container numbers, country of origin, and country where consigned are recorded on the import declaration to assist in intelligence, risk profiling and valuation issues.

ATAR's training built upon existing basic training delivered under the TAFA project. Trainees took a pre-training, written examination on the first day to allow ATAR to gauge knowledge and skill sets. With the exception of one ACD staff member who failed to take the test, all trainees successfully passed with many achieving scores of 80 percent or more.

Reviewed customs intelligence unit: In the first half of February, ATAR reviewed the status of ACD's intelligence unit and found little activity on the part of the unit since the completion of TAFA.

ATAR's audit of computers provided to the intelligence section by TAFA and the United Nations showed the computers had unnecessary software added, browsers installed that bypassed the firewall, a browser history of non-work related websites, and viruses.

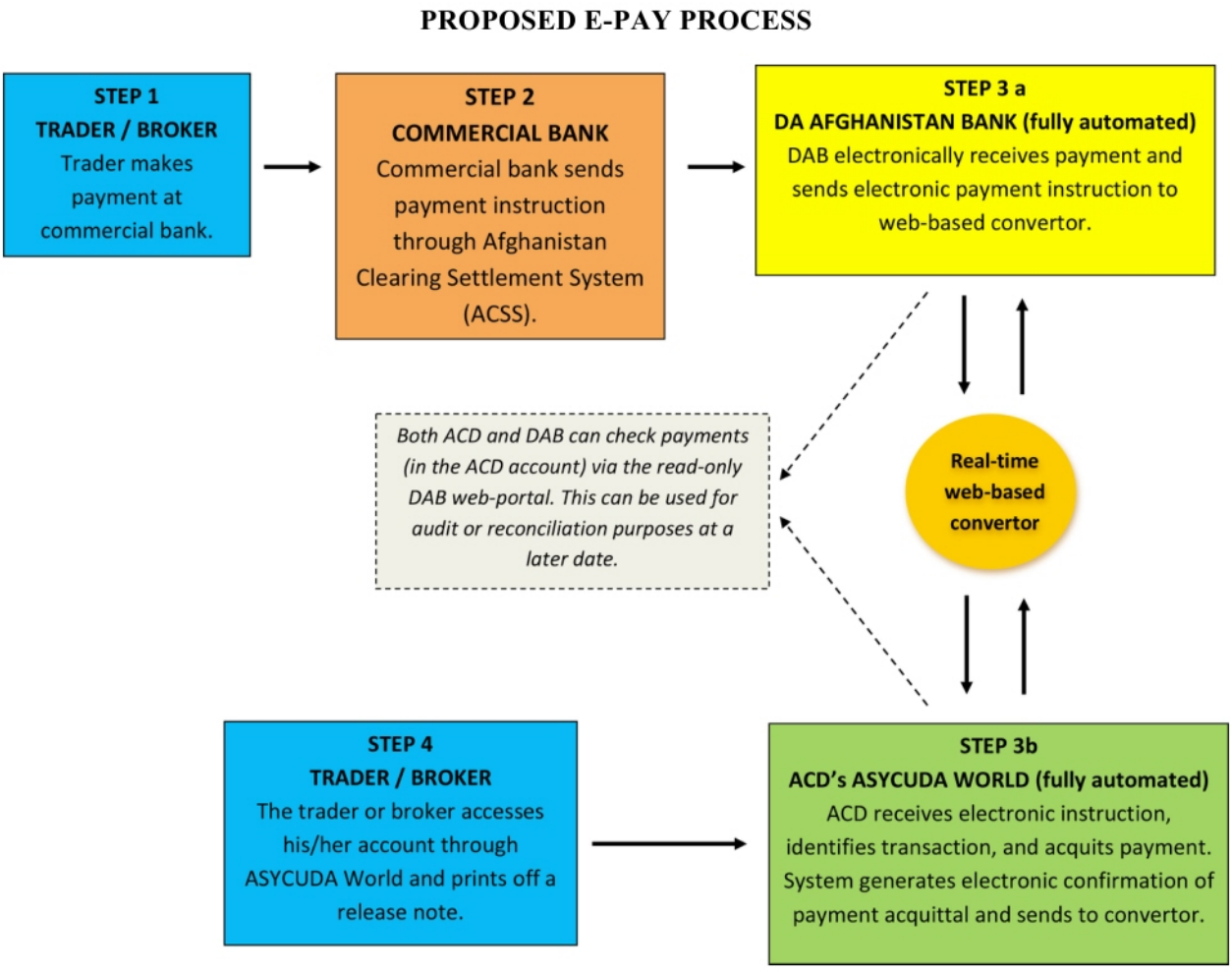
In the latter half of February, ATAR drafted a policy on the implementation and use of the National Customs Interception and Seizure (NCIS) database and submitted the document for signature by ACD's director general. ACD's director general agreed with ATAR's assessment and asked for the support in getting all systems functional and defining management checks to be implemented to maintain the system's functionality.

Development of E-Pay agreement and Process: ATAR initiated a number of meetings with the Da Afghanistan Bank (DAB) and ACD senior managers to attempt to move forward on E-Pay, or the electronic payment of customs duties.

In the first half of February, ACD's technical director, the Automated System for Customs Data (ASYCUDA) director, and the United Nations Conference on Trade and Development (UNCTAD) adviser were adamant that DAB must acquit payment of customs duties in ASYCUDA, while DAB is adamant that acquittal is not its responsibility.

To move forward, ATAR held a meeting with ACD's director general and his staff to discuss issues and explain the system has worked effectively in the Afghanistan Revenue Department since January 5 with more than 1,500 transactions processed with no issues or complaints. It was agreed that the best option would be for acquittal to be completed electronically without human intervention; ASYCUDA staff stated this was possible.

In the second half of February, ATAR held numerous discussions with DAB and ACD regarding the process of electronic acquittal without human intervention. DAB will ascertain the costs for this, and the ACD ASYCUDA team will complete an assessment of ASYCUDA requirements for implementation. Once implemented, E-Pay will contribute to trade facilitation and anti-corruption measures. The process, which is still under consultation with DAB and ASYCUDA technical staff, is shown in the below chart.



Developed training plan to support ACD objectives: During February, ATAR developed a number of training courses to deliver to ACD staff in Kabul and in the regions in coming months to give ACD staff the skills to sustain the changes to procedures and operations.

ATAR designed a training needs assessment format that has been agreed upon by ACD. ATAR will use the format to collect full training requirements for regional and headquarters staff, including individual training needs, training received, staff educational qualifications. While this data is important to ATAR, the information will also assist the Afghan National Training Academy (ANCA) in recording data, developing national training requirements and populating a future training database.

To date the following training materials have been developed and courses planned:

TRAINING PLAN FOR ACD					
Course	**Status of Materials**	**Target Audience**	**Duration**	**Target Date**	**Number of staff to be trained**
Train the trainer	Completed and being translated	Enforcement staff	10 days	April 12th	12 plus ATAR staff
Risk management	Completed	Risk management staff	2 days	Completed February for central staff	10 central staff and a minimum of 50 regional staff
Pocket notebook and cargo examination	Completed and due to be translated	Mobile verification team staff	2 days	March - May	140 mobile verification team staff in Kabul and regions
National Targeting Exploitation Center	Awaiting approval from the director general	Intelligence staff	To be determined	To be determined	12 central staff
Intelligence	Under development	Intelligence staff	5 days	To be determined	12 central staff, regional staff as identified
Investigation	Under development	Investigation staff	5 days	To be determined	12 central staff and regional staff as required

ATAR experts visited ANCA and discussed training issues with both ANCA Management and the Border Management Task Force (BMTF) and agreed to work closely with both on all training issues. All training materials developed by ATAR will be placed on CD and submitted to ANCA for future use. Security allowing, it is has been agreed ATAR can utilize ANCA for future training events.

The new ANCA training facility should be operational later in 2014 and will provide a modern, residential and fully equipped facility that could be an important factor in sustainable development. However, there are concerns on future funding for continued day-to-day running costs.

Monitored and proposed changes in regional sites: ATAR has local staff embedded in Mazar-I-Sharif, Jalalabad, and Herat customs locations and is hiring a local staff member for Kandahar. The local ATAR regional staff analyzed customs procedures in place in the regions and made recommendations as seen in the following table.

Customs Progress in Regions during Feburary					
Location	Risk Management	Streamlined Procedures	Time release study (TRS)	Training needs analysis	Monthly Management Report
Mazar	The regional director supports ATAR's efforts to make risk management effective and requested staff training in risk management, valuation, and tariffs.	ATAR identified extra steps, but the regional director is hesitant to remove the steps. ATAR will raise the issue with the ACD director general.	ATAR prepared a template for a TRS to identify bottlenecks in the process and recommend action. ATAR shared the template with the regional ACD and began discussions on how to proceed.	The regional director gave his support to completing the training needs analysis.	ATAR will work with ACD regional staff on how to develop an MMR.
Herat	ATAR determined risk management did not meet best practices, as detailed above in the risk management section. ATAR will work to change practices.	ATAR identified three extra steps, but has been unable to persuade ACD Herat to remove them. The ACD director general must reissue direction for application of streamlined procedures.	ATAR prepared a template for a TRS to identify bottlenecks in the process and recommend action. ATAR shared the template with regional ACD and began discussions on how to proceed.	ATAR received the regional director's support in completing a training needs analysis and developing a regional training plan.	ATAR mentored a nominated officer in the completion of the MMR. ATAR will monitor its timely completion and delivery.
Jalalabad	ATAR determined risk management did not meet best practices, as detailed above in the risk management section. ATAR will work to change practices.	ATAR identified six extra steps and discussed the issue with the regional director who agreed to remove three of them. The ACD director general will need to give direction to remove the final three extra steps.	ATAR prepared a template for a TRS to identify bottlenecks in the process and recommend action. ATAR shared the template with regional ACD and began discussions on how to proceed.	The regional director has agreed to support ATAR in the regional training analysis.	ATAR is experiencing difficulty, because ACD officers are not cooperating in supplying the data needed for completing this form.
Kandahar	ATAR has advertised the post for local customs expert in Kandahar.				

Rolling Calendar – ATAR Future Activities					
Date	**Event**	**Participants**	**Location**	**Comp-onent**	**Comments**
March 16, 18, 20	Lunches with the private sector	KCCI	Kabul	C2	These lunches are in preparation of the CABOC and BEE meetings. March 16 is with the skin, leather, and cashmere sector. March 18 is with freight forwarders and brokers. March 20 is with the Afghan Business Women Federation.
March 27	**Working Party Meeting**	**Afghan delegates and TAFA advisor, Farhat Farhat**	**Geneva, Switzerland**	**C1**	**Date to be confirmed.**
March	Roundtable for Business Enabling Environment	USAID and implementing partners	Kabul	C1/C2	To be facilitated by ATAR team leaders. Date to be confirmed shortly.
TBD	**Inauguration of Benezir Saffron Factory in Herat**	**Governor of Herat, USAID, Benezir CEO, and factory employees ATAR DCOP Qayum Ahadi**	**Herat, Afghanistan**	**N/A**	**On Jan. 20, the Benezir CEO postponed this event. This event resulted from USAID support for participation in Gulfood 2013 provided through the TAFA II project.**
April 14-16, 2014	**Central Asia Business Opportunities Conference (CABOC)**	**B2B, B2G, and G2G of stakeholders of USAID Pakistan Trade, USAID Regional Economic Cooperation, and USAID Afghanistan Trade and Revenue**	**Islamabad, Pakistan**	**C2**	
June 10-13, 2014	**Border Management & Technologies Summit 2014**	**Afghan Minister of Refugees and Repatriation; Iraqi, Georgia, Tajik, Kosovar government officials**	**Istanbul, Turkey**	**N/A**	**Organized by Intelligence-SEC**

- **Bolded items indicate the presence of media or high-level officials.**

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (Central Statistics Organization (CSO) report)	$5.17 billion in the first nine months of 1391 (ACD report)	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit) **Note:** Total volume of trade in the first nine months of 1392 was $5.17 billion which included import ($4.85 billion) and export ($318 million)
2	Value of gross domestic product (GDP)	Outcome/Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$21 billion in 1391 (CSO report)	Will be reported by end of 1392	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. **Note**: Based on CSO report, the total value of Afghanistan GDP in 1391 was Afs 1,085,766 million = $21 billion.
3	Ratio of foreign trade in GDP	Outcome/Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank report)	Will be reported by end of 1392	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan. Note: This indicator will be reported once the Afghanistan GDP for 1392 is reported by GIROA.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported by end of 1392	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$318 million in first nine months of 1392 (ACD report)	Tracking only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** Based on ACD, the total value of export in the first nine months of 1392 is $318 million.
6	Value of imports	Outcome/Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$4.85 billion in first nine months of 1392 (ACD report)	Tracking only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on ACD, total value of Afghanistan import in the first nine months of 1392 was $4.85 billion.
7	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/Impact USAID requested indicator	Import and export	GIROA	Annual	Overall discrepancy 27% Import 19% Export 35% (1391)	Will be reported by the end of 1392	20%	10%	It is crucial to have reliable trade related data for policy and planning. ATAR will support ACD and CSO to harmonize trade related data between the two organizations. **Note:** Based on trade statistics data from ACD and CSO for the year 1391, the overall discrepancy was 27% (import 19% and export 35%)
8	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries
9	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
PIR 1.1: WTO accession process finalized										
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	2	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; and 4) Parliament
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/Impact USAID requested indicator	Ministry partner	Project records	Quarterly	0	1	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR in Afghanistan.
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	1	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level (including by working group) with ATAR support. This mainly refers to the first draft finalized at the Ministerial level.
PIR 1.2: WTO implementation process developed and executed										
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	0	12	60	A public event is defined as a major ATAR-led and/or supported trade-related activity such as conference, seminar, coordination meeting, working group meeting, trade-related fair, roundtable session, consultative process, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, and other key trade gathering.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarterly	0	0	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation will be captured under this indicator.
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	0	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator / Output USAID requested indicator	Province	Project records	Quarterly	0	1	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
18	Change in public perception toward trade	Outcome/Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey	TBD from perception survey	10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted in year one of the project to collect baseline information and annually thereafter targeting the same group.
PIR 2: Regional and global integration enhanced										
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records and MOCI	Quarterly	0	1	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/gender	Project Record and EPPA	Monthly	0	6	80	400	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR. **Note:** ATAR supported the participation of the below Afghan firms in Dubai 2014 Gulf Food: • Omid Bahar Fruits Processing company Ltd • Afghanistan Saffron company • Benazir Saffron company • Tak Dana Vegetable and Dried Fruit and Fresh Fruit Processing Co. • Morvarid Food Industries Co. • Mehrab Co.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported by end of 1392	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	1	6	24	This indicator will capture the number of interactions and dialogues between the businesses and government organizations in the region on policy reform issues. **Note:** In February a business-to-business meeting was conducted in Mazar between Afghan, Uzbek and Kazak businesses.
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
24	Cost to travel 500 KM per 20 ton ($)	Outcome/Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6 (2012)	Will be reported next quarter	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the cost to travel 500 km per 20 ton is: Corridor 5 = $1,580 Corridor 6 = $719
25	Percentage share of trade with regional partners	Outcome/Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator will capture the share Afghanistan trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan
26	Average cost of crossing borders ($)	Outcome/Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$157 (2012)	Will be reported next quarter	Tracking only	Tracking only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the average cost of crossing border is $157
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
27	Growth in customs revenue (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Per border crossing	ACD	Annual	$894 million in 1391	$640 million in the first nine months of 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** based on MoF Performance Report, the customs revenue for the first nine months of 1392 is Afs 36.1 billion = $640.5 million
28	Percent increase in tax collection	Outcome/Impact USAID requested indicator	Revenue source	ACD	Annual	$747 million in 1391	$650.5 million in first nine months of 1392	Tracking only	Tracking only	This indicator captures the percentage increase in volume of tax collection in Afghanistan. Tax revenue consists of fixed taxes, income taxes and sales taxes. **Note:** Based on MOF 1392 third quarter fiscal report, tax revenue collection in the first nine months of 1392 shows a decrease of 5% comparing to the same period in 1391. The total tax revenue in the first nine months of 1392 was $650.5 million while this amount in the first nine months of 1391 was $682.4 million. **Disaggregation by quarter 1392:** 1. Quarter 1 = $200 million 2. Quarter 2 = $211 million 3. Quarter 3 = $239 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
29	Percentage of government revenue collection in GDP (excluding foreign grants)	Outcome/Impact Required by Prime Contract	Revenue source	ACD and project records	Annual	8% in 1391	Will be reported by end of 1392	Tracking only	Tracking only	Revenue is cash receipts from taxes, social contributions, and other revenue such as fines, fees, rent, and income from property or sales. **Note:** Based on MOF 1391 annual fiscal report, The total government revenue in 1391 was Afs 81.7 billion equivalents to $1.58 billion and the total GDP of Afghanistan was $21 billion which shows that the percentage of government revenue collection in GDP was 8% in 1391. The total of government revenue in the first nine months of 1392 was $1.35 billion (Afs 75.9 billion). This indicator will be reported next quarter once the total GDP of 1392 is reported by GIROA.
30	Non-tax revenue increase	Outcome/Impact Required by Prime Contract	Revenue source	ACD	Annual	$351 million in 1391	$253.5 million in the first nine months of 1392	Tracking only	Tracking only	The revenue obtained by the government from sources other than tax is called non-tax revenue. The major sources of non-tax revenue are Tax Sales of Goods and Service, Administrative Fees and Social contributions **Note:** Based on MOF report, the total volume of non-tax revenue in 1391 was Afs 18.1 billion equivalents to $351 million. The total non-tax revenue in the first nine months of 1392 was Afs 14.3 billion equivalents to $253.5 million.
31	Change in public perceptions toward VAT	Outcome/Impact Required by Prime Contract	Gender, region, age	Survey	Annual	TBD in perception Survey	TBD in perception survey	15% increase	40% increase	ATAR will work with a grantee or subcontractor to develop a VAT campaign for outreach on media issues, testing messages with stakeholders, including business organizations, civil society, and taxpayers, particularly women-owned businesses. ATAR will conduct a perception survey at the start of the project to determine public perception on VAT.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
32	Number of permanent professional positions allocated for women within ACD	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	77	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
33	Number of female interns completing a six-month internship in ACD	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
PIR 3.1. Capacity of the Afghan Revenue Department to generate revenue through VAT implementation enhanced										
34	Percent of audit cases selected using risk-based criteria	Outcome/Impact Required by Prime Contract	Province	Large Taxpayer Office (LTO)/ACD records	Quarterly	0	0	TBD	TBD	This indicator refers to the proportion of audit cases started in a year that have been selected using prescribed risk-based selection criteria (for example, declared outputs less than declared inputs/ input tax greater than output tax/ tax performance ratio lower than trade sector average)
35	Number of VAT audits conducted	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	Under this indicator, the project will report the number of VAT audits started and finalized in the year.
36	Share of cases yielding additional assessment (revenue) to cases selected for audit	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	This indicator captures the proportion of cases selected for audit that have yielded additional revenue assessments (in other words, the auditor has uncovered errors or under-declarations that produce extra tax).
37	Percentage of amount assessed through tax audit which is actually collected	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	This indicator measures the actual amount of "extra" assessed tax that is collected in the year. It implies the efficiency of debt management procedures is being measured along with the accuracy/sustainability of assessments raised during the audit.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
38	Number of U.S. government supported training events related to implementation of the VAT	Operational Plan Indicator/Output Required by Prime Contract	Province	Project records	Monthly	0	0	TBD	TBD	Training refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on VAT.
39	Number of tax officers trained	Output Required by Prime Contract	Gender	Project records	Monthly	0	0	TBD	TBD	This indicator will capture the number of tax officers trained on VAT or other tax related topics.
40	Ratio of VAT revenue to total tax revenue	Outcome/Impact Required by Prime Contract	Province	LTO records	Annual	0	0	Tracking only	Tracking only	This indicator captures the percent of VAT generated revenue to total tax revenue
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										
41	Average Customs processing time (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported in next quarter	TBD based on number of steps removed	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
42	Number of documents/procedures required to import and export	Outcome/Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10, import 10, export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2014)	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
43	Time to export and import	Outcome/Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	85 days, import, 81 days, export (World Bank Doing Business report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.
44	Number of customs systems in line with international best practices adopted	Outcome/Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline.
45	Number of risk management procedures adopted at customs depots	Outcome/Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management.
Cross-Component Indicators										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Results through end of February	Year 1 Target	Life-of-Project Target	Notes
46	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	13 trainings 189 participants including 149 male and 40 female, 139 persons days of training	30 trainings/ 300 participants	120 trainings/ 1200 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator is reported by training type, target group, gender, and person days of training.
47	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	973 (Male 806, female 167)	1500	6000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40. This target for this indicator is set based on indicator No. 46 (# of trainings) assuming that each ATAR-led training maybe be on an average 5 hours.

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Afghanistan Trade and Revenue (ATAR) Project

August Monthly Report (August 1-31, 2015)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also works in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan and has activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

August 1-31 Highlights

- The Afghan government made significant progress in advancing WTO-related legislation. President Ghani endorsed the Law on Geographical Indications, and the Cabinet approved the Law on Industrial Designs.
- Afghanistan prepared most of the replies to 90 questions from WTO that are geared at fine-tuning the country's Draft Working Party Report in preparation for its next Working Party meeting.
- The Afghanistan Customs Department (ACD) and Da Afghanistan Bank (DAB) agreed to next roll out the electronic payment of customs duties to Balkh, Hairatan, and Andkhoy. Telecommunications companies using E-Pay, which piloted in May in Kabul, provided positive feedback on the system during a meeting with ACD and ATAR.
- ATAR and the Ministry of Commerce and Industries (MOCI) held an event to brief 35 transport operators and government officials on the Transports Internationaux Routiers Convention (TIR) and related events.
- The Kyrgyz Republic Ministry of Transport said it received endorsements from all relevant ministries on Afghanistan's protocol of accession to the Cross Border Transport Agreement (CBTA) and sent a letter to the Ministry of Justice for further approval by resolution of the Kyrgyz government.
- ATAR convened three forums in Tajikistan to discuss a draft Authorized Economic Operator (AEO) concept and promote awareness of AEO best practices for Tajik customs officials, brokers, transport and logistics company officials, and government representatives.

Key Upcoming Events

- The Afghanistan-Pakistan Transit Trade Coordinating Authority (APTTCA) meeting in Kabul was postponed from September. The Afghan and Pakistani governments are confirming new dates.
- The Ninth Meeting of the South Asia Free Trade Area (SAFTA) Ministerial Council and the Tenth Meeting of the SAFTA Committee of Experts in Kabul was postponed from September until December.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: ATAR assisted MOCI and other ministries in understanding and researching 90 questions from the WTO that were mainly aimed at fine-tuning the Draft Working Party Report.

Most replies were prepared by the end of August, except for a dozen policy questions requiring further consultations between MOCI and ministries. In order for Afghanistan's WTO accession process to conclude by the end of 2015, the Afghan government must give clearance to proceed with negotiations. Pending clearance, Afghanistan's next Working Party meeting could occur at the earliest by the end of October 2015; this would require the Draft Working Party report be updated with replies to the questions and circulated to Working Party members three to four weeks before the meeting along with the WTO Legislative Action Plan, the Schedule of Specific Commitments on Services, and the Schedule of Concessions and Commitments on Goods.

At the request of the Minister of Commerce and Industries, MOCI Deputy Minister Mozammil Shinwari gave a presentation on August 30 to the Minister of Commerce and other deputy ministers and directors on WTO commitments, benefits, and challenges. The Minister was convinced of the need to accelerate WTO accession and agreed that Deputy Minister Shinwari deliver the presentation to the President.

Two days later, President Ghani's office for the first time requested MOCI send the WTO accession documents. MOCI will send the documents, along with notes on the benefits and importance of WTO accession for Afghanistan. These notes included a note on competitiveness, which ATAR developed in August. The presentation at the President's office has not yet been scheduled.

2. Legislative Reforms for WTO Conformity

WTO-related laws: During August, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table below provides the status of WTO-related legislative items supported by ATAR as of the end of August. ATAR's active areas of support during the month are highlighted in light blue and laws that have changed status are bolded.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[3]
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	The Ministry of Finance/ACD approved the procedure in July 2015. ATAR supported updating the English version of the procedure in the first half of August.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	In July, ANSA's management board approved the draft law and sent it to MOJ.	Ministry of Justice	Yes[4]
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	In June, the Upper House approved the draft law and will submit it to the President for signature.	Parliament	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	In the prior quarter, ATAR assisted MOJ's Education, Culture, and Health Department in conducting meetings on the draft. Once the review is finalized, the law will proceed to MOJ's Executive Committee.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During a meeting chaired by both deputy ministers in the second half of August, MAIL and MOPH agreed both ministries will implement the law jointly and their jurisdiction will be defined in a regulation. ATAR provided technical support by preparing and reviewing the proposed language of the regulation.	Ministry of Justice	Yes

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.

[2] Regulations go to the Council of Ministers and do not proceed further.

[3] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

[4] Although not on 1393 or 1394 agenda, the MOJ has nonetheless agreed to consider the draft law on standards and technical regulations.

8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure in April 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	In June 2015, the Legislative Committee of the Council of Ministers held its first session on the law. The Adviser of the Second Vice-President and other participants had comments. In the second half of the August, ATAR reviewed the comments, aligned them with WTO agreements, and provided explanations to the Advisor of the Second Vice-President and other stakeholders.	Council of Ministers	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	On Feb. 10, 2015, the President endorsed the law. On May 20, 2015, the law was published.	Entry into Force	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	In June, ATAR finalized the draft with the Afghanistan Development and Peace Research Organization, which had proposed changes. MOJ and ATAR are reviewing the draft to ensure the changes are acceptable.	Council of Ministers	Yes
12	**Law on Geographical Indications**	**MOCI Wali Faqirzaad Polly Maier**	**The President endorsed the law and sent it to the MOJ for publication in the official gazette. The MOJ Publication Department is reviewing the law for grammar and spelling and readying it for publication in the gazette.**	**President**	**Yes**
13	**Law on Industrial Designs**	**MOCI Wali Faqirzaad Polly Maier**	**In July 2015, the Legislative Committee of the Council of Ministers approved the draft with minor changes. The draft was sent to the Cabinet, and the Cabinet approved the law on Aug. 25.**	**President**	**Yes**
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	In June 2015, the Supreme Court submitted the amendments to MOJ with comments and modifications.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	In July 2015, MOJ submitted the draft to the Council of Ministers.	Council of Ministers	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	In April 2015, ATAR succeeded in including the law in MOJ's legislative plan. The Council of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	During the first half of August, MOJ finalized the draft with ATAR support. The law will be sent to the Legislative Committee of the Council of the Ministers.	Ministry of Justice	Yes

18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	In June 2015, ATAR met with the Minister of Commerce and Industries, who said he was prepared to resolve any problems agencies had with WTO laws, including this law. Upon his request, ATAR prepared a summary of the draft law. ATAR will submit it to the Minister, who will encourage the MAIL Minister to proceed with the draft.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In June 2015, the amendments on the law were submitted to the Legislative Committee of the Council of Ministers. On July 25, ATAR updated the English version of the amendments.	Council of Ministers	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	During June 2015, ATAR had two sessions with MOJ on the draft.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature. MOCI, with ATAR support, requested ACD's Director General act on the draft by the end of August.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	On Aug. 30, ATAR assisted MOCI in sending a letter to MOPH highlighting parts of the regulation inconsistent with WTO and requesting a reduction of fees for producers so the fees match those charged importers; this would comply with WTO and eliminate discrimination between producers and importers.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR met with the Afghan Revenue Department (ARD) in April 2015 to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	During April and May, ATAR assisted MOJ in reviewing the draft law.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entry into Force	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Intellectual property: In August, ATAR delivered two presentations on intellectual property conventions to MOCI directorates assigned by the MOCI Deputy Minister to review the conventions.

On August 3, ATAR delivered a presentation on the Singapore Treaty on the Law on Trademarks, and, on August 15, ATAR delivered a presentation on the Madrid Protocol of International Registration for Trademarks. ATAR explained the relation of the treaties with intellectual property and discussed the benefits of the treaties to Afghanistan.

At the end of the presentations, the MOCI directorates agreed on membership to both the Singapore Treaty and the Madrid Protocol. In July, ATAR had delivered a presentation on the Paris Convention for Industrial Property, and the MOCI directorates agreed on membership to that convention as well.

On August 26, MOCI sent an official letter to the Ministry of Foreign Affairs (MOFA) with documents requesting membership to the Paris Convention, Singapore Treaty, and Madrid Protocol. WTO Working Party members had requested Afghanistan join the international treaties for protecting intellectual property as part of its WTO accession.

Copyright implementation: ATAR assisted MOIC's copyright office in preparing two forms for copyright registration – one for literary and scientific works and the other for artistic works. MOIC approved both forms, and MOIC is expected to start voluntary registration of copyrights in September 2015.

Food safety: ATAR met with MOPH to discuss ATAR's activities in supporting the Law on Food Safety, including developing a draft organizational structure and functional statements for a proposed Food Control Authority, establishment of a sanitary and phytosanitary equivalence mechanism for food safety, and training on food hygiene.

On August 26, ATAR conducted the first of several trainings on food hygiene for 12 MOPH staff and other stakeholders.



In support of the Law on Food Safety, ATAR conducted food hygiene training for MOPH and other stakeholders.

ATAR also compiled, edited, and began translation of twelve chapters of materials for the course on "Introduction to Food Safety" to be presented at the Kabul University-School of Agriculture and the National Agricultural Education College. ATAR provided the professors with the Dari and English versions of chapters one and two of the proposed curriculum for their review.

Plant protection and quarantine: ATAR resumed support to MAIL's Plant Protection and Quarantine Directorate (PPQD) to help prepare for implementation of Law on Plant Protection and Quarantine.

ATAR monitored the efforts of three sub-groups working on pest risk assessments following an ATAR training held in May. ATAR also translated two pest risk assessments into Dari and sent them to the PPQD in preparation for further training.

In the second half of August, ATAR organized a roundtable discussion on plant protection and quarantine procedures with the head of MAIL's PPQD and four other employees.

MOPH laboratories gap analysis: ATAR worked on a gap analysis on MOPH food and pharmaceutical testing laboratories that will help prepare the labs for future accreditation with International Organization for Standardization (ISO) 17025.

ATAR completed an assessment on lab infrastructure, including working space, power, plumbing, storage, and safety, and an assessment on equipment, including available equipment and equipment needs. ATAR began reviewing lab standard operating procedures and will draft new or revised procedures as necessary. In addition, ATAR started drafting organizational charts with current and recommended personnel.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Metrology support: ATAR continued a needs assessment for the National Metrology Institute and preparation of a draft model law on legal metrology and draft model law on legal units of measurement.

5. Assist in Building Analytical Capacity

WTO impact assessment: ATAR continued developing a partial equilibrium model to support MOCI's Trade Policy Analysis Unit (TPAU) in assessing the impact of Afghanistan's WTO tariff commitments on trade flow, trade diversion, fiscal revenue, balance of payments, gross domestic product, employment, and consumer welfare.

ATAR assisted TPAU in identification of 15 sub-sectors of Afghanistan economy where Afghanistan has potential for development of production and export. ATAR and the TPAU are developing partial equilibrium models for these sectors to estimate competitiveness of Afghan producers, particularly for wheat and wheat flour production and for other food processing industries.

6. Assist in Building WTO Awareness

WTO outreach: ATAR prepared draft WTO presentations for a range of audiences, including the media, the public and private sector, and academia, as well as a draft annual schedule of events to build nationwide awareness about WTO.

ATAR internally finalized three presentations and will finalize a fourth in September. The presentations cover WTO commitments and impacts for Afghanistan; WTO impacts for Afghanistan and recently acceded WTO members; and WTO impacts on regional trade and economic relationships, including with Afghanistan's largest trading partner, Pakistan. The fourth presentation will address WTO commitments for individual ministries. ATAR developed a draft annual schedule of events to build nationwide awareness about WTO and will discuss and finalize the schedule with MOCI in September.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Continue supporting development of regulations and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue support for applying to intellectual property conventions
- Continue needs assessment for National Metrology Institute and preparation of draft model law on legal metrology and draft model law on legal units of measurement
- Support TPAU in building a partial equilibrium model to assess impact of WTO accession
- Continue a gap analysis for MOPH food and pharmaceutical laboratories
- Continue preparation of WTO awareness materials and schedule of awareness events

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

1. Afghanistan

TIR awareness: On August 10, ATAR and MOCI held an event to brief transport operators on Transports Internationaux Routiers (TIR) and upcoming TIR-related events. There were 35 participants, including representatives from the Ministry of Transport and Civil Aviation (MOTCA), ACD, ACCI, MOFA, Association of Afghanistan Freight Forwarding Companies (AAFFCO), and Afghanistan's traffic police. ATAR briefed the group on upcoming TIR events, and participants discussed green lanes/express lanes for TIR operators.

On August 15, ATAR attended a National Conference on Surface Transportation. ATAR's previous discussion and recommendation on the national transport association and revision on transport laws were on the agenda. ATAR participated in a working group to discuss TIR and transit. MOTCA organized the event with participation from the President's office, the Ministry of Public Work, ACCI, and AAFFCO.



ATAR held a briefing on TIR and upcoming TIR events for transport operators.

EPAA assistance: ATAR, the Export Promotion Agency of Afghanistan (EPAA), and USAID's Regional Economic Cooperation (REC) project finalized a list of Afghan participants for the Central Asian Trade Forum (CATF) that will take place in Kazakhstan from October 28-29. ATAR worked with EPAA to identify about 40 Afghan participants who will exhibit their products and participate in CATF, which is being supported by REC.

Separately, the Acting EPAA Chief Executive Officer (CEO) requested a comprehensive capacity building program for EPAA's regional staff. ATAR plans to roll out a training program for EPAA regional staff in October.

Trade with India and Pakistan: ATAR assisted MOCI in identifying regulatory issues that need to be addressed to promote investment from India and Pakistan following a request from President Ghani that MOCI identify impediments in bringing investment from India and Pakistan. ATAR also assisted MOCI in developing an action matrix for investment promotion.

In addition, ATAR prepared for a "Made in Afghanistan" event to be held in India anticipated for the first week of October. As a partner, the Federation of India Chambers of Commerce and Industries (FICCI)

plans to invite about 150 importers of fresh and dried fruit. ATAR also put Afghan businesses in touch with two Indian importers who wanted to source Afghan produce in large quantities.

At the request of MOCI, ATAR updated two notes on trade and transit issues between Afghanistan and Pakistan. ATAR prepared a third note on impediments of trading with India via Pakistan.

Regional meeting preparation: ATAR continued to assist MOCI in updating issues related to the Afghanistan Pakistan Transit Trade Agreement (APTTA) and preparing for the next Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting. The APTTCA meeting was scheduled for September but is postponed to December. The Afghan and Pakistani governments are confirming the new date.

ATAR assisted MOCI in compiling issues to be taken up in the 10th Pakistan-Afghanistan Joint Economic Commission (JEC) meeting. The meeting had been scheduled to be held in Islamabad during August 27-28 and is now postponed. The new date has yet to be finalized.

2. Kyrgyz Republic

CBTA: ATAR met with the deputy head of the International Relations Department of the Ministry of Transport on the status of the Cross Border Transport Agreement (CBTA). The Ministry received endorsements from all relevant ministries on Afghanistan's protocol of accession to CBTA and sent a letter to the Ministry of Justice for further approval by resolution of the Kyrgyz government.

WTO TFA: In an effort to facilitate the ratification of the WTO Trade Facilitation Agreement (TFA), ATAR supported official translation of the TFA to Kyrgyz and Russian language. The translations were sent to the TFA Working Group and the Ministry of Economy, and the agreement was placed on a Kyrgyz trade information website (http://www.trade.kg).

AEO: ATAR translated parts of the Customs Union Code that pertain to authorized economic operators (AEO) and recommended an amendment to the draft customs code of the Kyrgyz Republic. ATAR recommended the threshold for becoming an AEO be reduced from €500,000 as that level is restrictive for most Kyrgyz companies.

Customs Consultative Council: ATAR supported preparation for the next Customs Consultative Council scheduled for September 4 by assisting in drafting an agenda for review of businesses and Kyrgyz customs.

3. Tajikistan

Customs support: ATAR continued to develop the model concept for an AEO program for Tajik customs. The model includes criteria for participation, benefits, operational aspects, proposed amendments to the customs code, and a methodology for implementation.

In the second half of August, ATAR discussed the draft AEO concept with stakeholders and promoted awareness of AEO best practices, criteria, and principles most suitable for adaptation in Tajikistan. On August 21, ATAR held an initial meeting with a small group of customs managers to introduce the concept of AEO and to agree on the format for two roundtables. On August 27, ATAR held one of the roundtables for customs brokers, transport and logistics company representatives, customs officers, and representatives from the Ministry of Economic Development and Trade. On August 31, ATAR held the other roundtable for the Tajik Customs Service, which is preparing to amend customs legislation to enable an AEO program and is planning discussions to set the criteria for acceptance to the AEO program.



On August 31, ATAR discussed the AEO program with members of the Tajik Customs Service.

ATAR also continued to develop a model concept for a voluntary disclosure strategy as part of the WTO TFA compliance program for consideration by the Tajik government.

PATTTA support: ATAR continued to support the Ministry of Economic Development and Trade, the State Customs Service and the Ministry of Transport on the proposed Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA). On August 4, ATAR conducted a meeting to discuss progress on PATTTA as well as to finalize the Russian text of the Tajik counter-proposal.

4. Turkmenistan

Ministry of Textile Industry: On August 3, ATAR met with the head of the Department of Foreign Economic Affairs of the Ministry of Textile Industry of Turkmenistan. The head of the department provided fabric samples produced by Turkmen factories for Afghan counterparts. The meeting was a follow-up to meetings exploring the possibility of the Turkmen textile industry meeting Afghan buyers' needs and cooperation between Afghan businesses and Turkmenistan's Ministry of Textile Industry.

RADP-West cooperation: ATAR continued assistance in providing USAID's Regional Agricultural Development Program-West (RADP-W) project in Afghanistan with Turkmen fruit market information to identify potential to export Afghan agricultural products to Turkmenistan.

Export support proposal: On August 27, ATAR prepared and submitted proposal on potential support for Turkmenistan on trade facilitation and export development to USAID Turkmenistan, which will submit it to the Turkmen Ministry of Foreign Affairs. ATAR proposed assistance to Turkmenistan in export and economic diversification and implementation of bilateral and regional trade, transit, and transport agreements.

5. Uzbekistan

Risk management software: ATAR continued trying to reach responsible Uzbek officials to seek clarifications on their needs following a meeting with USAID/Almaty. During that meeting, Uzbek customs expressed appreciation for the May 2015 training provided by ATAR on risk management and AEO and wanted to know if ATAR could support with respect to risk management software.

Customs training: ATAR prepared a proposal for customs valuation training and shared the proposal with the Association for Development of Business Logistics (ADBL). ATAR started preparing additional proposals for training Uzbek customs on post-clearance. Once finalized, these proposals will be submitted through official letter for consideration by authorities. ATAR finalized the draft proposal on customs valuation training.

Trade route study: ATAR launched the trade route mapping study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. The study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan.

ATAR prepared a questionnaire to collect initial data from stakeholders and sent the questionnaire to stakeholders in private sector. The Uzbek Chamber of Commerce and Industries and ADBL are supportive of this effort and promised to assist data collection and presentation of reports for public discussions among stakeholders.

Logistics center: Per request of ADBL, ATAR reviewed the concept presentation for establishing a major logistics center in Uzbekistan. ATAR prepared comments for meeting best practices and shared these with ADBL in early August.

6. Cross-Cutting

Country-specific action plans: ATAR continued developing country-specific action plans based on its regional study on comparative advantages and trade complementarity.

Component 2: Looking Forward

- Continue to support PATTTA
- Continue development and finalization of modalities for Afghan customs at Karachi;

transshipping in Peshawar; and a single border stop at crossing point Afghanistan-Pakistan

- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Support the Tajikistan State Customs Service for awareness and development of an AEO program
- Facilitate development of a memorandum of understanding on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Support Tajikistan customs on the national strategy for integrated border management
- Launch trade route mapping study for Uzbekistan, India, and the United Arab Emirates
- Support implementation of trade facilitation provisions in Kyrgyz Republic, including AEO
- Continue developing country-specific action plan based on regional study on comparative advantages and trade complementarity
- Continue implementation of aspects related to South Asia strategy
- Continue promoting regional trade and customs initiatives with Central Asia Republics

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

ACD compliance strategy: ACD reviewed documents from ATAR on the Internal Audit Unit and Professional Standards Unit that will form part of a comprehensive compliance strategy.

ACD requested ATAR submit a summary of up to 15 pages on each unit and requested the Internal Audit Unit be renamed the Internal Compliance Unit. ATAR agreed with the renaming and will submit the summaries in September.

Reduce corruption at ACD: ATAR regional staff continued to provide information on areas where enhanced use of automated systems may reduce corruption and to identify management controls used by ACD managers. ATAR is reviewing the findings, which will be submitted to ACD.

At the Jalalabad ICD, ATAR assisted ACD in implementing a sterile office environment in the entry processing unit to reduce interaction between brokers and traders with customs officers and decrease opportunities for corruption. ATAR will support ACD's implementation of this method in other regions.

E-Pay: ACD and DAB agreed on the next phase of electronic payment, or E-Pay, of customs duties, which began in May as a pilot focusing on Hamid Karzai International Airport (HKIA) and Kabul Inland Clearance Depot (ICD). E-Pay is scheduled for implementation at Balkh, Hairatan, and Andkhoy in September.

On August 12, ATAR met with representatives of Afghan Wireless Communications Co. (AWCC), MTN, and Roshan to enquire about their use of E-Pay. Overall, participants offered positive feedback, citing the ease of paying electronically and reduced expenses since they do not have to provide security for the transport of cash. They also had recommendations for improvement that ATAR will bring to the attention of ACD and DAB.



A representative of an Afghan telecommunications company (right) checked with an ACD official if a release note was ready following the company's E-Pay of customs duties.

Risk management: ATAR progressed risk management with support to ACD's risk management working group, risk management training to ACD officers, and installation of new equipment for the national anti-smuggling hotline.

The risk management working group continued to analyze data from Jalalabad and received data from Herat for analysis. Their analyses will determine changes to risk categories and project the number of future examinations in green (release), yellow (documentary check) and red (examination) lanes, which will assist in focusing resources on non-compliant trade. The working group chairman will attend the next Risk Management Committee meeting, the date of which is to be confirmed, to advise on the role of the working group and propose changes to risk profiles.



ATAR delivering risk management training to ACD officials.

On August 24, ATAR delivered refresher training in completion of the ASYUCUDA Profile Request 1 (APR1), which is used for request and approval of risk profiles, to 14 ACD officers, including those from the risk management working group.

ATAR also installed new call equipment to support the national anti-smuggling hotline, which will allow the public, traders, and customs officers provide information anonymously. ACD and ATAR are testing the hotline, and ATAR will support ACD in a campaign to promote the hotline.

Streamlined customs procedures: ATAR regional specialists continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures, which contains thirteen steps.

ATAR continued to report on the status of streamlined procedure compliance at ICDs. The latest status report highlights that all ICDs have introduced additional steps. ATAR will work with ACD to review additional steps to determine whether they should be removed or not.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	2	2
New steps introduced	4	1	5	3	7
Total additional steps	5	7	6	5	9
TOTAL	**18**	**20**	**19**	**18**	**22**

In addition, ATAR monitored the release times of consignments allocated to either the green (release), yellow (documentary check), and red lane (examination). The latest release times are below.

	Green	Yellow	Red
Herat ICD	50 minutes	1 hour	1 hour 45 minute
HKIA	N/A	N/A	N/A
Jalalabad ICD	55 minutes	1 hour 10 minutes	1 hours 40 minute
Balkh ICD	50 minutes	1 hour 10 minutes	1 hour 30 minutes
Aquina ICD	50 minutes	1 hour 30 minutes	2 hours
Shir Khan Bandar	40 minutes	1 hour 10 minutes	1 hour 40 minutes

ANCA support: Afghanistan National Customs Academy (ANCA) trainers finalized the review of customs induction material developed by the Border Management Task Force (BMTF) and continued to develop trainers' notes for each module. They completed about 20 percent of this task.

At ANCA's request, ATAR printed BMTF presentations to form the basis of the training library. ATAR also completed management modules in introduction to management; role of a manager or team leader; leadership; communication; decision-making; influencing; motivation; problem solving; team building; time management; effective presentation skills; and chairing meetings. ATAR printed those modules as part of the library.

ATAR and ACD agreed on a timetable for ATAR to provide "how to deliver" training courses in September. This included training on mobile verification teams; intelligence; APR 1 forms; pocket notebooks; selectivity and targeting; and risk management.

ATAR finalized the draft ANCA standard operating procedures (SOPs) and will discuss the SOPs with ANCA's manager and submit them to ACD's director of support and development.

Post clearance audit: ATAR continued to support the development of ACD's Post Clearance Audit (PCA) Department.

ATAR met with ACD's Legal Department to progress matters in terms of the legislation supporting PCA as a compliance function. In addition, the PCA working group met to review the PCA roadmap, completion of tasks to date, recently translated documentation, job descriptions, the PCA charter, and the PCA procedure manual.

Transit/TIR: ATAR worked with ACD and MOTCA to review transport legislation and develop a TIR regulation.



The Minister of Transport and Civil Aviation headed a meeting regarding a TIR regulation.

On August 11, the TIR National Committee finalized the regulation at MOTCA. Participants included the Minister and Deputy Minister of Transport and Civil Aviation as well as officials from MOFA, ACD, Afghanistan Border Police, and ACCI. The final version of the TIR regulation will be shared with all organizations before submission to the Council of Ministers.

On August 29, ATAR met with representatives from Faisal Mirzakwal Logistics Transport Co., the sole authorized TIR carnet holder in Afghanistan, and Razziq International, a Pakistani transport operator, to discuss the feasibility of the transit of goods through Afghanistan using the TIR process. ATAR provided guidance on the procedures involved in the transit of meat from Pakistan to Central Asia.

ATAR also continued to support ACD by providing constructive comments on the draft bilateral agreement between Afghanistan and Pakistan on cooperation and mutual Assistance in customs affairs.

Informal Customs Network: On August 3, ATAR attended a meeting of the Informal Customs Network with ACD's Director General and officials from the Asian Development Bank, United Nations Assistance Mission in Afghanistan, United Nations Office for Project Service, World Bank, and USAID.



ATAR attended a meeting of the Informal Customs Network.

Participants discussed topics including the Regional Economic Cooperation Conference for Afghanistan, the transfer of customs police from the Ministry of Interior to the Ministry of Finance, support to training on enforcement, how to structure salaries and recruit, electronic data interchange with Pakistan and Tajikistan, regional customs agreements, the Border Management Model, and the roll-out of electronic payment of customs duties.

Component 3: Looking Forward

- Continue to support ANCA in reviewing training material and developing new material
- Continue implementation of the enforcement plan
- Produce the weekly compliance snapshot template and start providing ACD management with weekly compliance and performance data
- Identifying opportunities for streamlining import procedures, improving risk management operations, and gaps in training skills
- Discuss with ACD the timeline and activities for the implementation of an Internal Audit Unit and Professional Standards Unit
- Support development of professional post clearance audit functions
- Continue with PCA working group meetings and risk management working group meetings
- Re-activation of the ACD national anti-smuggling hotline
- Continue to support ACD in the development of TIR
- Deliver "how to deliver" training in risk management basic awareness, intelligence basic awareness, APR1, use of notebooks and selectivity and targeting

ATAR ROLLING CALENDAR OF KEY EVENTS

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
October 5	**Seminar on Supply Chain for Agricultural Exports**	**Agricultural exporters, ATAR**	**Kabul, Afghanistan**	**C2**
October	**"Made in Afghanistan" Event**	**Afghan and Indian traders, Federation of Indian Chambers of Commerce and Industry (FICCI)**	**New Delhi, India**	**C2**
December (Dates to be confirmed)	**Ninth Meeting of the South Asia Free Trade Area (SAFTA) Ministerial Council** **Tenth Meeting of the SAFTA Committee of Experts in Kabul in the first week of September**	**SAARC members**	**Kabul, Afghanistan**	**C2**
Dec 5-13	International Craft Selling Exhibition	EPAA	L' Artigiana Fiera Italy	C2

* Bold items indicate the possible presence of high-level officials.

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FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project

January Monthly Report (Jan. 1-31, 2016)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also works in Tajikistan, Kyrgyzstan, Turkmenistan, and Uzbekistan and has activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

January Highlights

- ATAR completed translation of Afghanistan's WTO accession package into Dari and Pashtu, and the Ministry of Commerce and Industries (MOCI) submitted the package to the Cabinet of Ministers for review and approval. MOCI provided all relevant ministries with a copy of the accession package for their review.
- ATAR supported MOCI in developing a legislative action plan to instruct each relevant ministry and state body to undertake priority reforms over the next six months prior to the Afghan government's ratification of the WTO accession package. Chief Executive Officer Abdullah Abdullah endorsed the action plan, and the plan was disseminated to relevant ministries.
- The Afghan government made progress in legislative reforms necessary for WTO accession. The Law on Consumer Protection proceeded to the Parliament, the Law on Copyrights advanced to the Cabinet, and both the Law on Standards and Technical Regulations and the Amendment to the Patents Law proceeded to the Ministry of Justice.
- The Cabinet of Ministers approved Afghanistan's membership to the Berne Convention for the Protection of Literary and Artistic Works, which is an international convention on intellectual property. Berne Convention approval is one of the requirements for Afghanistan's WTO membership.

Key Upcoming Events

- The next meeting of the Afghanistan Pakistan Transit Trade Coordinating Authority is scheduled for Feb. 15-16 in Islamabad, Pakistan.
- Afghan businesses will participate in the Gulfood Exhibition that will take place on Feb. 21-25 in Dubai, United Arab Emirates.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

WTO Accession Process

ATAR translated Afghanistan's WTO accession package into Dari and Pashtu and supported MOCI in packaging the translated documents, which include a summary of proceedings, Afghanistan's conditions of entry and protocol of accession, and the schedules of market access commitments in goods and services. On Jan. 26, MOCI submitted the package to the Cabinet of Ministers for review and approval. MOCI also provided relevant ministries with a copy of the package for review.

Upon approval by the Cabinet of Ministers, the accession package will head to Afghanistan's Lower and Upper Houses of Parliament for ratification and then for the signature of President Ghani. Afghanistan has until June 2016 to ratify the deal and will formally become a WTO member 30 days after it notifies the WTO of ratification.



The Ministry of Commerce and Industries submitted Afghanistan's WTO accession package to the Cabinet of Ministers for review and approval.

ATAR arranged and participated in multiple roundtables with different stakeholders including the Ministry of Justice (MOJ), the Afghanistan National Standards Authority (ANSA), the Ministry of Finance, the Ministry of Agriculture, Irrigation and Livestock (MAIL), and other ministries to prioritize legislative actions.

Legislative Reforms for WTO Conformity

ATAR continued to support the Afghan government to advance legislative reforms for WTO conformity. The table below provides the status of WTO-related legislative items supported by ATAR as of the end of January 2016. ATAR's active areas of support during the month are highlighted in light blue.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers/Cabinet[2,3] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[4]
1	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	In October 2015, the Council of Ministers held a session under the Second Vice-President. The Second Vice-President instructed that, based on a decree of President Ghani to review trade-related laws submitted under President Karzai's administration, the law should be reviewed again. Subsequently, ATAR assisted ACD in preparing additional changes to the Customs Law in January 2016.	Sponsoring Ministry	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	On Jan. 19, 2016, ACD held a working group to review the procedure in light of relatively recent staff changes at ACD, including changes in the positions of Director General and heads of other relevant departments.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	The Ministry of Finance/ACD approved the procedure in July 2015. ATAR updated the English version of the procedure and submitted the document to ACD in September 2015.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	ANSA Sayed Hashimi Farhat Farhat	In October 2015, MOJ sent the law back to ANSA due to its full schedule. Following the WTO Nairobi conference in December 2015, MOCI sent a letter to ANSA to re-send the law to MOJ so MOJ can prioritize it as per the instruction of Chief Executive Officer Abdullah. In late January 2016, ANSA resubmitted the draft to MOJ.	MOJ	Yes[5]
5	Law on Plant Protection and Quarantine	MAIL Siyar Sahar Luis Flores	In June 2015, the Upper House of Parliament approved the draft law. In July 2015, the law was submitted to the President for signature.	President	Yes
6	Law on Animal Health and Veterinary	MAIL Sayed Hashimi	Last quarter, MOJ reviewed the law with ATAR assistance. Once the review is finalized, the law	Ministry of Justice	Yes

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.

[2] Under the National Unity Government, there is a Council of Ministers and a Cabinet. The Council of Ministers is chaired by Chief Executive Officer Abdullah, and the Cabinet is chaired by President Ghani. Under the prior government, there existed only a Council of Ministers.

[3] Regulations go to the Council of Ministers and do not proceed further.

[4] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

[5] Although not on the agenda, MOJ has agreed to consider the draft Law on Standards and Technical Regulations.

	Public Health	John Woodford	will proceed to MOJ's Executive Committee.		
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	On Nov. 29, 2015, the Council of Ministers approved the law with minor changes. MOJ incorporated the Council of Ministers' revisions and sent it to the Cabinet.	Cabinet	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure in April 2014.	Entered into force	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	In December 2015, MOJ requested that MOCI review comments of stakeholders and submit the amendments to MOJ after the review. ATAR supported MOCI in its review. In January, MOCI completed its review and sent the amendments back MOJ.	Ministry of Justice	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In February 2015, the President endorsed the law. On May 20, 2015, the law was published.	Entered into Force	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	ATAR assisted MOJ and MOIC in determining those parts of Afghanistan Development and Peace Research Organization's (ADPRO) proposal consistent with WTO requirements. MOJ included them in the draft and sent the draft to the Cabinet on Jan. 27, 2016.	Cabinet	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	The President endorsed the law on Aug. 4, 2015, and it was published in the official gazette on Aug. 17, 2015.	Entered into Force	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	In January 2016, a session on the law was held at the Lower House's National Economic Commission. MOCI, Afghanistan Chamber of Commerce and Industries (ACCI), MOJ and ATAR were invited to provide clarifications and explain the importance of the law.	Parliament (Lower House)	Yes
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	In January 2016, MOJ's Civil Department held its first session on the law and proposed changes. ATAR began reviewing modifications to align them with WTO requirements.	Ministry of Justice	Yes

15	Law on Protection of Trade and Industry Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	The Council of Ministers' Legislative Committee discussed the draft law on Jan. 10, 2016, and asked MOJ to simplify the draft. The Council of Ministers introduced two law faculty professors to MOJ to work on the draft. MOJ invited the two professors on Jan. 13, 2016, to review the law. ATAR assisted in explaining the WTO-required provisions. MOJ and the professors changed some of the law's formalities. ATAR is reviewing the changes to make sure they comply with WTO.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	In January 2016, MOJ's Director of the Trade and Private Sector Law met with ATAR. ATAR highlighted the importance of the law and is planning a working group in coming weeks.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	In November 2015, the Council of Ministers approved the draft law with one minor revision. In December, MOJ made the revision and sent the law to the Cabinet. Also in December, Cabinet approved the law and requested for Pashtu translation. MOJ completed Pashtu translation and sent the law to the Parliament on Jan. 20, 2016, for further legislative processing.	Parliament	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	Finalization of the draft at MAIL is pending decision by the Minister of Agriculture, Irrigation and Livestock.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In January 2016, the amendments were submitted to the Cabinet, which approved them. ATAR will assist MOJ in translating the amendments into Pashtu. MOJ will then submit the amendments to Parliament.	Cabinet	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	In November 2015, MOJ's Legislative Executive Committee finished its review and agreed with the amendments. In November, MOJ invited relevant ministries to provide comments; all the ministries agreed to the amendments. In December, MOJ sent the draft to the Council of Ministers, which approved draft. In late December, MOJ sent the amendment to the Cabinet for approval.	Cabinet	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	In January 2016, ATAR assisted MOJ in its technical review of the law.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	MOCI finalized the draft, which will be adopted once the Law on Foreign Trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature. MOCI, with ATAR support, requested ACD's former Director General act on the draft. ACD management changes delayed final signature.	Sponsoring Ministry	N/A

24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	Ministry of Public Health (MOPH) Siyar Sahar Farhat Farhat	On Oct. 3, 2015, ATAR met the MOPH's Pharmacy Department and explained parts of the regulations inconsistent with WTO. MOPH's Pharmacy Department said it would take those parts into account while preparing changes to the regulation. ATAR followed up on this several times in the past quarter.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR followed up with MOCI several times in the past quarter to request MOF move forward with the law. ATAR intends to meet with the Deputy Minister of Finance to discuss finalizing and sending the law to MOJ.	Sponsoring Ministry	No
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	In October 2015, MOJ returned the draft to MOCI with comments. ATAR provided technical assistance to MOCI to address the comments. MOCI resent the draft to MOJ, and it is now under technical review of MOJ's Economic and Finance Department.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entered into Force	Yes

Sustainable Capacity for the Fulfillment of Key WTO Commitments

Intellectual Property Rights

On Jan. 31, the Cabinet of Ministers approved Afghanistan's membership to the Berne Convention for the Protection of Literary and Artistic Works, known as the Berne Convention. This is an international agreement that governs copyrights and was first accepted in Berne, Switzerland, in 1886.

Berne Convention approval is one of the requirements for Afghanistan's WTO membership. The Afghan government will ratify WTO accession by June 2016. Following WTO ratification, Afghanistan will notify the World Intellectual Property Organization (WIPO), which administers the Berne Convention, of its WTO ratification. WIPO will then process Afghanistan's membership to the Berne Convention.

Law on Plant Protection and Quarantine

In support of the Law on Plant Protection and Quarantine, ATAR assisted MAIL's Plant Protection and Quarantine Department (PPQD) in organizing a working group to review and finalize a draft regulation on plant protection and quarantine. On Jan. 25, the working group had its first session and finished the first 10 pages of the regulation. The working group will meet each week to finalize the draft regulation and send it to MOJ in February.

Law on Food Safety

On Jan. 4, ATAR supported MOPH in conducting a working group to review the proposed Food Safety Control Authority that would help support implementation of the Law on Food Safety. Participants included representatives of MOPH, MOCI, MAIL, and MOPH's senior ministerial advisor. ATAR was requested to conduct research on the current situation of food safety in Afghanistan and identify authorities involved in food safety. As part of the research, ATAR met with the Afghanistan Investment Support Agency (AISA), Kabul Municipality, MOCI, MAIL, ACD, and the three general directorates of MOPH.

On Jan. 25, ATAR presented its findings at another working group meeting. Some challenges identified by ATAR were a lack of an integrated system and institutional framework for official controls of food safety, a lack of efficient laboratories, and overlapping duties among authorities. The findings will help guide the working group participants in establishing the Food Safety Control Authority.

Law on Animal Health and Veterinary Public Health

ATAR supported MAIL's Veterinary Department working group in drafting an import and export regulation to support the Law on Animal Health and Veterinary Public Health. The working group participants finalized the draft regulation and submitted it to the office of the Deputy Minister of Agriculture, Irrigation and Livestock, which will send it to MOJ for inclusion in MOJ's legislative work plan for the Afghan year 1395.



ATAR supports a working group drafting an import and export regulation to support the Law on Animal Health and Veterinary Public Health.

Build ANSA Capacity

ATAR began looking into a request from ANSA to provide technical and logistics support for a meeting of the South Asian Regional Standards Organization that is expected to occur in Kabul, Afghanistan, in April 2016.

Assist in Building Capacity and Sustainability of the WTO Unit for Post-Accession

ATAR supported MOCI in developing a legislative action plan to instruct each relevant ministry and state body to undertake priority reforms over the next six months prior to the Afghan government's ratification of the WTO accession package. Chief Executive Officer Abdullah Abdullah endorsed the action plan, and the plan was disseminated to relevant ministries. ATAR and MOCI followed up with various ministries to promote timely implementation of action items.

Assist in Building Analytical Capacity

ATAR supported MOCI's Trade Policy Analysis Unit (TPAU) in preparation of Afghanistan's tariff schedule based on WTO commitments and the 2015 tariff schedule of Afghanistan. TPAU translated the subsequent changes made in the tariff schedule into Dari to be presented to the President as part of the WTO package. ATAR assisted TPAU in identifying about 580 tariff lines with rates that are above committed WTO bound rates. MOCI will propose these tariff rates be reduced in the next tariff schedule, which will go into effect in March 2016.

ATAR also assisted the TPAU in estimating the possible impact on revenue due to implementation of the WTO's Information Technology Agreement (ITA) and elimination of import duties on ITA items. It was estimated that the total loss of revenue would be about $20 million to $25 million (2.5% of total revenue collected by ACD), that imports of these items will increase by about 5% (due to the price decrease), and that collection of revenue will be partially compensated by an increase in collection of business receipts tax and import tax as well as income tax as a result of development of the Afghan economy. The ITA provides for country participants to completely eliminate duties on information technology products covered by the agreement.

ATAR supported MOCI in fulfilling numerous requests to provide data and analysis on transit, transport, regional trade, and total trade. ATAR also continued working with the TPAU on preparing its Annual Trade Policy Review and assisting, through learning by doing, in the development of a general equilibrium model.

Assist in Building WTO Awareness

ATAR drafted a design for a billboard and banner and developed a short video to inform the general public of WTO accession. The video incorporates WTO footage taken during Afghanistan's final Working Party meeting in Geneva, Switzerland, and the WTO's 10th Ministerial Conference in Nairobi, Kenya. Upon USAID approval of the English version of the video, ATAR will create a Dari and Pashto version of the video.



ATAR created a design for a billboard informing the public of Afghanistan's WTO accession.

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan.

Afghanistan

"Made in Afghanistan" Event

ATAR worked with the Federation of Indian Chambers of Commerce and Industry (FICCI) to plan for a "Made in Afghanistan" event that will be held in New Delhi, India, possibly in April. More than 100 Indian businesses and about 60 Afghan businesses will participate in this event. FICCI will organize

participation of Indian businesses, and ATAR will coordinate Afghan participation in consultation with businesses associations and possibly with the Export Promotion Agency of Afghanistan and AISA.

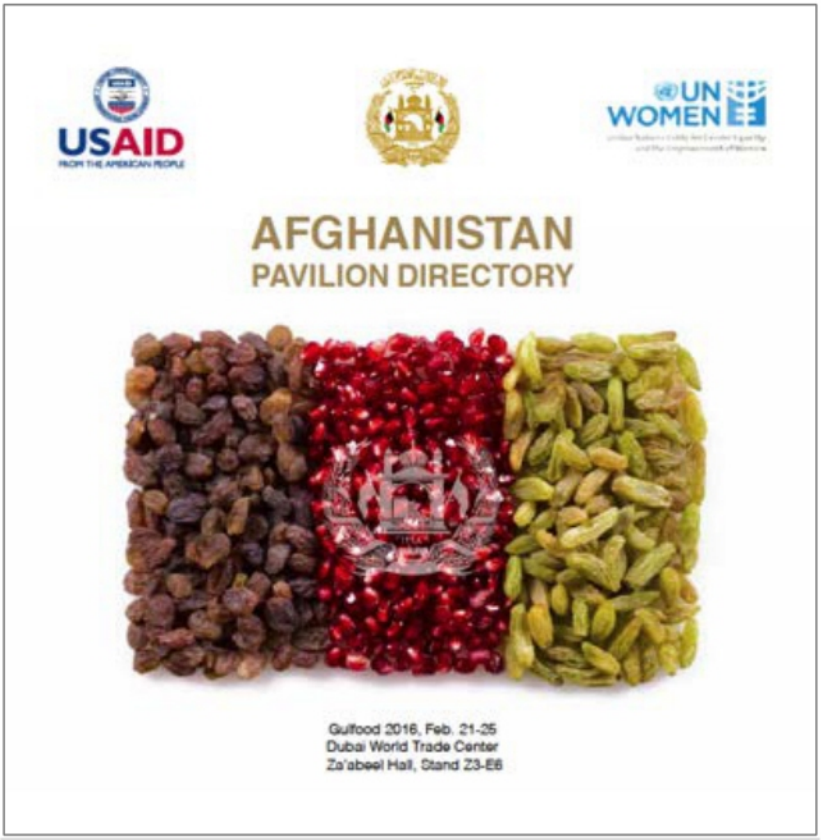
The Synthetic and Rayon Export Promotion Council of India is expected to bring a delegation of 15 Indian textile manufacturers for possible business partnerships with Afghan apparel manufacturers and wholesalers. ATAR and the Kabul Chamber of Commerce and Industries will organize business-to-business meetings.

Meeting of the Afghanistan Pakistan Transit Trade Coordinating Authority

ATAR assisted MOCI in preparing for the Afghanistan Pakistan Transit Trade Coordinating Authority (APTTCA) meeting to be held in Islamabad, Pakistan, on Feb. 15-16. ATAR began compiling issues and updating action points and assisted MOCI in drafting a letter for the extension of the Afghanistan Pakistan Transit Trade Agreement (APTTA), which expired Oct. 28, 2015. The letter emphasized that Afghan transit cargo should get national treatment, as was agreed in the last APTTCA meeting. The letter further emphasized that no more than 5 percent of containers that transit through Pakistan into Afghanistan should be inspected at the Karachi port.

Gulfood

ATAR continued working with USAID's Commercial Horticultural and Agricultural Marketing Program (CHAMP), USAID's Regional Agricultural Development Program-South (RADP-S), and UN Women to support the participation of Afghan businesspeople in the Gulfood Exhibition in Dubai, United Arab Emirates (UAE), on Feb. 21-25. ATAR began preparing marketing materials for the event, including a booklet showcasing Afghan produce and providing information on the traders.



ATAR designed a booklet promoting Afghan produce and Afghan participants for the Gulfood Exhibition in Dubai.

ATAR and the other projects encountered difficulties in obtaining UAE visas for the participants due to recent UAE restrictions placed on visas for Afghans. ATAR and the other projects are working to find solutions to the visa problems and are looking into sending participants who already have a UAE visa or involving Afghan participants who have a local office in Dubai.

Kyrgyzstan

Cross Border Transport Agreement

ATAR continued to follow up with the Kyrgyzstan's Ministry of Transport on the status of Afghanistan's protocol of accession to the Cross Border Transport Agreement (CBTA) between Afghanistan, Tajikistan, and Kyrgyzstan.

ATAR met with the head of international relations for the Ministry of Transport and Communications. She said the resolution to accede to the CBTA has been prepared again and sent to the relevant Ministries on Jan. 9 as the first submission had expired before it could be acted upon.

WTO Trade Facilitation Agreement

ATAR completed the regulatory reform impact analysis that is necessary for Kyrgyzstan's ratification of the WTO Trade Facilitation Agreement. Kyrgyzstan's national law requires that an analysis be conducted on the impact of a specific agreement on businesses. The analysis was submitted to the Ministry of Economy.

Customs Consultative Council

Following a letter that ATAR helped members of the Customs Consultative Council draft in December, a Kyrgyz delegation discussed with high-level officials in Moscow the amount of security required for insuring the proper payment of customs duties.

The Kyrgyz delegation said Russia and Belarus wanted to maintain the €1 million minimum. However, the Kyrgyz delegation departed with a ruling that the amount should be established by each member state, but the minimum will be established by the Eurasian Economic Union.

ATAR, together with members of the newly established Alliance of Business Communities in Ancillary Services, assisted in drafting a work plan for the Customs Consultative Council. ATAR also helped draft the agenda for next meeting, which will be held in mid-February. Last December, ATAR helped to create the Alliance.

Tajikistan

Customs Support

ATAR met with the Tajikistan Customs Service and continued discussion that began in December 2015 regarding its request for support to develop a national nomenclature aligned with the World Customs Organization (WCO).

At the request of Tajikistan Customs, ATAR identified two potential donors to assist with the development, translation, and printing costs involved in the development of the nomenclature. Tajikistan Customs expects ATAR to deliver tariff classification modules to educate Tajik Customs, partner agencies,

and stakeholders on the specificities of the national nomenclature prior to its formal introduction and to enable discussion on the establishment of an advanced rulings program.

ATAR concluded its analysis of the Tajik Customs Code and other international cross-border agreements and began developing recommendations for establishing the legal basis and strategy for joint customs controls with ACD at the Shir Khan Bandar and Nijni Pyanj border crossing points. ATAR's recommendations build upon a feasibility study by USAID's Trade and Accession Facilitation for Afghanistan (TAFA) project, taking into account the Memorandum of Mutual Understanding in Customs Matters agreed by Afghanistan and Tajikistan in March 2014 and the introduction of electronic data exchange between the two customs administrations. ATAR is translating the recommendations for submission to Tajik Customs in February.

Donor Coordination

ATAR participated in donor coordination meetings on trade facilitation initiatives and enhanced border management between Tajikistan and Afghanistan. Participants discussed an overlap of training and infrastructure development programs. As a result, ATAR began working with donors to propose guidelines to catalog and share common training materials.

ATAR met with a delegation of International Road Transport Union (IRU) and discussed the trilateral agreement on cooperation signed in November 2015 between Tajikistan's Association of International Transport Operators, the Tajik Customs Service, and the IRU as well as TIR implementation at the Afghan-Tajik border crossing posts.

Turkmenistan

Technical Assistance

On Jan. 5, ATAR met with the head of the transport and communication department of Turkmen State Institute of Transport and Communication. ATAR and the official discussed the possibility of holding a "Modern Transport and Logistics Seminar" for faculty and students. ATAR drafted an official letter to hold the seminar to be sent to the Ministry of Foreign Affairs of Turkmenistan for approval.

On Jan. 7, ATAR met with the acting head of the international department of the State Turkmen Carpet Association to discuss technical assistance. The official expressed support for ATAR's technical assistance and invited Afghan carpet producers to take part in the International Carpet Fair to be held in May 2016. Following the meeting, ATAR drafted an official letter regarding possible technical assistance to be sent to the Ministry of Foreign Affairs of Turkmenistan for approval.

ATAR submitted the two letters to USAID Turkmenistan to be sent to the Ministry of Foreign Affairs.

Research for Afghan Traders

On Jan. 18-21, ATAR visited local wholesalers to learn more about demand for Afghan products such as nuts, raisin, fruits, and vegetables in the Turkmen market. ATAR researched retail prices, quality, and

potential buyers for products as part of ongoing work with USAID's Regional Agriculture Development Project-West (RADP-W) in Afghanistan. On Jan. 19, ATAR met with the manager of the "Orlan" Consulting Co. discussing the potential to advertise Afghan products through the Orlan website and company's email list.

Uzbekistan

Customs Support

ATAR and Uzbek Customs Committee representatives identified possible trainings and seminars for Uzbek Customs officials, private customs broker companies, and the Association of Customs Brokers in 2016. The proposed list of trainings and seminars covers areas such as risk management; post clearance audit; customs information technology and e-declaration; border management; border enforcement of intellectual property; and advance rulings on origin and classification. ATAR followed up on formal approval to launch this training.

Trade Route Mapping Study

ATAR met with stakeholders to determine constraints and legal and regulatory challenges along nodes and stretches of selected routes as part of its Uzbekistan route mapping study. Stakeholders included transport, logistics and freight forwarding companies; freight forwarders associations; business associations; the Afghan and Indian embassies; the World Bank; and the Asian Development Bank.

ATAR is finalizing the analysis and drafting the report. The study aims to identify optimal and feasible transport routes available for Uzbekistan in reaching the Middle East, in particular Dubai, and South Asia, in particular New Delhi.

Component 2: Looking Forward

- Support the Pakistan Afghanistan Tajikistan Transit Trade Agreement
- Continue work related to advancing the ratification in Kyrgyzstan of the Cross Border Transport Agreement protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Continue supporting the WTO Trade Facilitation Agreement ratification by Kyrgyzstan
- Support Gulfood 2016 in Dubai
- Continue Transports Internationaux Routiers support (pending terms of reference approval by USAID)
- Support Tajikistan Customs on the national strategy for integrated border management
- Complete work on the Uzbekistan trade route study
- Continue promoting regional trade and customs initiatives with Central Asia Republics

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION[6]

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

Support Regional Integration

The Ministry of Foreign Affairs continued to review the memorandum of understanding on mutual assistance between the UAE and Afghanistan, which was submitted by ACD following ATAR's review. ATAR is awaiting confirmation from ACD on progress regarding this initiative.

Following signature of Afghanistan and the UAE, ATAR will provide technical assistance on customs matters raised between ACD and UAE Customs, advise on staff exchange proposals, possible funding of equipment by the UAE, and training that can be provided by the UAE. ATAR will also support ACD attending quarterly meetings in the UAE.

Trade Compliance

ATAR continued to send the weekly risk management snapshot to the Deputy Minister, Director General, and concerned Directors to advise them of the current status of risk management at the regional customs sites in which ATAR has a presence. ATAR monitored the release times of consignments allocated to the green lane (immediate release), yellow lane (documentary check), or red lane (physical inspection). The below chart provides the release time in minutes for each month from June 2015 through January 2016.

	Herat ICD			HKIA			Jalalabad ICD			Balkh ICD			Aquina ICD			Sher Khan Bandar ICD		
Month	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red
June	45	60	180	50	68	75	85	98	130	60	90	120	50	90	120	60	80	150
July	40	60	145	N/A	N/A	N/A	72	90	140	40	70	90	50	90	120	40	70	100
Aug.	50	60	105	N/A	N/A	N/A	55	70	100	50	70	90	50	90	120	40	70	100
Sept.	45	70	90	N/A	N/A	N/A	54	66	100	70	90	120	50	90	120	40	70	100
Oct.	55	100	150	N/A	N/A	N/A	58	72	95	70	90	120	50	90	120	40	70	100
Nov.	55	75	90	64	85	140	52	66	90	40	70	110	50	90	120	40	70	100
Dec	45	85	105	32	50	72	40	60	90	50	80	110	50	90	120	40	70	100
Jan				35	57	144	40	52	75	50	80	110	50	90	120	40	70	100

- All time in minutes.

ATAR regional specialists continued to monitor the current number of procedures at Inland Clearance Depots (ICDs) compared to the national blueprint for streamlined import procedures, which contains thirteen steps. The latest status report is below:

[6] During January 2016, Component 3's progress was hampered by a lack of international and national resources. Component 3 is recruiting to fill three international and seven national vacancies.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	2	2
New steps introduced	4	1	5	3	7
Total additional steps	5	7	6	5	9
TOTAL	**18**	**20**	**19**	**18**	**22**

Afghanistan National Customs Academy

ACD approved the standard operating procedures that ATAR developed to support Afghanistan National Customs Academy (ANCA) activities and said the procedures will be implemented when ANCA becomes fully operational.

E-Pay

ATAR continued to request that Da Afghanistan Bank (DAB) submit the technical specifications for the software patch to allow connectivity between the DAB and ACD systems and fully automate the electronic payment of customs duties, known as E-Pay. DAB advised ATAR that it is continuing to work on the specifications for the patch. When received, ATAR will submit a request for funding to cover the costs of the required software upgrade.

ATAR continued to monitor E-Pay implementation and activities at the regions. To progress matters, ATAR requested that USAID facilitate a meeting of all parties to progress this initiative and identify solutions to any issues.

Implement Outreach Campaigns

ATAR supported ACD in celebrating International Customs Day on Jan. 26, taking a moment to highlight the importance of customs in Afghanistan's development. This year's theme, set by the WCO in Belgium, focused on digital customs. ACD Director General Sayed Abdul Rahman Sayeed distributed WCO certificates of appreciation at the event to exceptional ACD employees as well as to an ATAR employee.



ACD's Director General hands a certificate of appreciation to an ATAR employee on International Customs Day.

Trade Awareness Program

A working group, comprising representatives from ACD, the Afghanistan Revenue Department (ARD), ATAR, and Adam Smith International, met to progress the "Trader and Taxpayer Awareness Program." Working group members agreed that the official press launch will take place on Feb. 9, and the first seminar will occur on Feb. 28 at ANCA.

Under the program, ACD and ARD will educate traders and taxpayers on subjects such as documentation needed for importing and exporting, valuation and tariffs, electronic payment of customs duties, how to file and pay taxes, taxpayer rights and obligations, and the objection and appeal process for taxes. Traders and taxpayers will have the opportunity to speak with ACD and ARD officials to ask questions, raise concerns, and offer suggestions.

Strengthening the Capacity Building of ACD Managers

ATAR regional staff continued to draft content for management standards and a template for management and site risk profiles. This will be reviewed by in early 2016 before submission to ACD regional directors for discussion.

This is part of ATAR's initiative to support the capacity of ACD managers through the implementation of management standards, management profiles, and site profiles, which will allow managers to continually review their current capabilities against the perceived risk to customs and how to treat those risks.

Component 3: Looking Forward

- Continue the development of ACD risk management to target non-compliant trade and facilitate compliant trade and support the risk management working group
- Continue to support the post clearance audit working group
- Progress the national hotline and currency control initiative at Hamid Karzai International Airport
- Progress the trade awareness education program with a press launch and first seminar

ATAR ROLLING CALENDAR OF KEY EVENTS

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
Feb. 15-16	**APTTCA Meeting**	**Afghan, Pakistani government officials**	**Islamabad, Pakistan**	**Component 2**
Feb. 21-25	Gulfood	Afghan traders	Dubai, United Arab Emirates	Component 2
April 11-12	South Asia Free Trade Area (SAFTA) Committee of Experts Meeting	SAFTA officials	Kabul, Afghanistan	Component 2
April 13	**SAFTA Ministerial Meeting**	**SAFTA Ministers**	**Kabul, Afghanistan**	**Component 2**

* Bold items indicate the possible presence of high-level officials.

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Afghanistan Trade and Revenue (ATAR) Project

July Monthly Report (July 1-31, 2015)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also works in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan and has activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

July 1-31 Highlights

- The Government of Afghanistan continued to make strides in advancing WTO-related legislation. The Ministry of Finance and Afghanistan Customs Department (ACD) approved the Procedure on Advance Ruling on Binding Decisions, the Ministry of Justice submitted the Law on Trade Secrets to the Council of Ministers, and the Afghanistan National Standards Authority (ANSA) submitted the Law on Standards and Technical Regulations to the Ministry of Justice (MOJ).
- After more than two months of the pilot phase of electronic payment of customs duties, almost a third of the overall value of all duties collected at Hamid Karzai International Airport (HKIA) are collected through the system. Major communication companies such as Etisalat, MTN, AWCC, and Roshan are now using electronic payment. ACD and Da Afghanistan Bank (DAB) launched the system in May.
- The first WTO Trade Facilitation Agreement (TFA) working group met in Bishkek, Kyrgyz Republic. The group divided the 40 sub-articles into three categories and assigned three groups to review them and determine the next steps necessary to gain compliance with the WTO TFA.

Key Upcoming Events

- The Governments of Afghanistan and Pakistan will hold an Afghanistan-Pakistan Transit Trade Coordinating Authority (APTTCA) meeting in Kabul in the second half of August.
- Afghanistan will host the Ninth Meeting of the South Asia Free Trade Area (SAFTA) Ministerial Council and the Tenth Meeting of the SAFTA Committee of Experts in Kabul on Oct. 11-13.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: Afghanistan's fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government.

2. Legislative Reforms for WTO Conformity

WTO-related laws: During July, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table below provides the status of WTO-related legislative items supported by ATAR as of the end of July. ATAR's active areas of support during the month are highlighted in light blue and laws that have changed status are bolded.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[3]
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	**Procedure on Advance Ruling on**	**ACD Wali**	**The Ministry of Finance/ACD approved the procedure on July 14, 2015.**	**Sponsoring Ministry**	**N/A**

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

	Binding Decisions (covering advance origin rulings)	**Faqirzaad Brian O'Shea**			
4	**Law on Standards and Technical Regulations**	**Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat**	**ANSA's management board approved the draft law and sent it to MOJ.**	**Ministry of Justice**	**Yes[4]**
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	In June, the Upper House approved the draft law and will submit it to the President for signature.	Parliament	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	In the prior quarter, ATAR assisted MOJ's Education, Culture, and Health Department in conducting meetings on the draft law. Once the review is finalized, the law will proceed to MOJ's Executive Committee.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	On July 27, ATAR participated in a meeting at MOJ to hear comments on the draft law. About 15 people from MOJ, MOF, MAIL, MOCI, ANSA, ACCI, and the United Nations Development Program presented 26 comments that MOJ will consider for inclusion. A suggestion was made and accepted that the Deputy Ministers from MOPH and MAIL meet to resolve differences the ministries have regarding areas of responsibility for food products. A follow-up meeting will be scheduled in the next weeks.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	On June 27, 2015, the Legislative Committee of the Council of Ministers held its first session on the law. The Adviser of the Second Vice-President and other participants had comments, which are being reviewed by ATAR.	Council of Ministers	Yes

[4] Although not on 1393 or 1394 agenda, the MOJ has nonetheless agreed to consider the draft law on standards and technical regulations.

	(Patents Law)				
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	On Feb. 10, 2015, the President endorsed the law. On May 20, 2015, the law was published.	Entry into Force	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	In June, ATAR finalized the draft with the Afghanistan Development and Peace Research Organization, which had proposed changes. MOJ and ATAR are reviewing the draft to ensure the changes are acceptable.	Council of Ministers	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	On June 6, 2015, the law was approved by a joint committee of the Lower and Upper House of Parliament and submitted to the Office of State for Parliamentary Affairs (OSPA). On June 16, 2015, OSPA held a session in which there was discussion on the law's name as well as articles 8, 12 and 14. ATAR has no further access to information, due to confidentiality. The law is with the President for endorsement.	President	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	On July 20, 2015, the Legislative Committee of the Council of Ministers approved the draft with minor changes. The draft was returned to MOJ to ready it for submission to the General Council of Ministers, which will be chaired by the President.	Ministry of Justice	Yes
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	On May 27, 2015, MOJ sent the draft amendments to the Supreme Court of Afghanistan for review. On June 13, 2015, the Supreme Court submitted the amendments to MOJ with comments and modifications.	Ministry of Justice	Yes
15	**Law on Trade Secrets (undisclosed information)**	**MOCI Siyar Sahar Polly Maier**	**On July 4, 2015, ATAR reviewed an Afghanistan Chamber of Commerce and Industries (ACCI) proposal for further amending the law. On July 7, 2015, MOJ submitted the draft to the Council of Ministers.**	**Council of Ministers**	**Yes**
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	In April 2015, ATAR succeeded in including the law in MOJ's legislative action plan. The Council of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	MOJ's Executive Committee reviewed the law in the prior quarter with ATAR support. The law is with the Minister of Justice for review.	Ministry of Justice	Yes

18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	On June 28, 2015, ATAR met with the MOCI Minister, who said he was prepared to resolve any problems any agencies had with WTO laws, including this law. Upon his request, ATAR prepared a summary and background of the draft law. ATAR will submit it to the Minister, who will encourage the MAIL Minister to proceed with the draft.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	On June 23, 2015, the amendments on the publication law were submitted to the Legislative Committee of the Council of Ministers for further processing. On July 25, the English version of the law was updated.	Council of Ministers	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	During June 2015, ATAR had two sessions with MOJ on the draft.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	On May 11, ATAR met the Director of Avicina Pharmaceutical Institute and explained that discriminatory fees do not protect domestic investments and are inconsistent with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad FarhatFarhat	ATAR met with the Afghan Revenue Department (ARD) in April 2015 to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	During April and May, ATAR assisted MOJ in reviewing the draft law.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entry into Force	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Intellectual property: On July 1, ATAR prepared and delivered a presentation on the Paris Convention for Industrial Property to MOCI directorates assigned by the MOCI Deputy Minister to review intellectual property conventions.

ATAR explained the concept of intellectual property, types of intellectual property, and intellectual property in terms of the Paris Convention. ATAR explained the three categories of the Paris Convention – national treatment, priority rights, and common rules – and the benefits of the convention to Afghanistan.

At the end of the presentation, the MOCI directorates agreed on membership to the Paris Convention and asked ATAR to research other countries' membership. ATAR researched members, especially Islamic countries, and reviewed their reservation rights and accession instruments. ATAR submitted the data to the General Director of MOCI's Afghanistan Central Business Registry-Intellectual Property (ACBR-IP).

After the presentation, the assigned directorates took responsibility to next review the Singapore Treaty and asked ATAR to prepare a presentation on that. ATAR prepared the presentation and will deliver it to MOCI in August. Afghanistan was requested by Working Party members to join both the Paris Convention and Singapore Treaty as part of its accession to WTO.



ATAR met with a working group to discuss regulations in support of the Law on Food Safety.

Food safety regulations: On July 29, ATAR met with the food regulation working group at MOPH to review the current status of proposed regulations under development, provide an update on the draft food safety law, and discuss future activities of the working group.

MOPH laboratories gap analysis: ATAR prepared a checklist for a gap analysis of the MOPH food and pharmaceutical laboratories and prepared inventory forms to survey available equipment and identify potential deficiencies. ATAR will use the checklist and survey to collect information on the facility's infrastructure, organization, and operations. Based on the information, ATAR will identify challenges the facility faces in service quality improvement. ATAR will also assess needs, including training, to prepare for future International Organization for Standardization (ISO) accreditation.

Plant protection and quarantine regulation and procedures: ATAR assisted the technical team of MAIL's Plant Protection and Quarantine Department (PPQD) in reviewing the four procedures in support of the Law on Plant Protection and Quarantine. The feedback is being incorporated to improve the procedures.

ATAR also assisted the PPQD in developing Pest Risk Assessments (PRAs) following a five-day training the project conducted on PRAs in May. PPQD staff are researching and collecting data for the PRAs.

6. Assist in Building Analytical Capacity

WTO impact assessment: ATAR began developing a partial equilibrium model to support MOCI's Trade Policy Analysis Unit (TPAU) in assessing the impact of Afghanistan's WTO tariff commitments on trade flow, trade diversion, fiscal revenue, balance of payments, gross domestic product, employment, and consumer welfare.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Continue supporting development of regulations and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue support for applying to intellectual property conventions
- Assist in development of draft law on legal units of measurement and law on metrology
- Launch needs assessment for National Metrology Institute
- Support TPAU in building a partial equilibrium model to assess impact of WTO accession
- Schedule a visit to the MOPH food and pharmaceutical laboratories to meet officials and plan the gap analysis

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

1. Afghanistan

SAFTA meetings: ATAR continued to assist MOCI in organizing the Tenth Meeting of the South Asia Free Trade Area (SAFTA) Committee of Experts and the Ninth Meeting of the SAFTA Ministerial Council in Kabul.

The meetings, which had been anticipated in August and then September, are now scheduled for Oct. 11-13. ATAR and MOCI planned activities for the event, finalized the venue, and identified communications material.

Trade agreement summary: ATAR assisted MOCI in developing an executive summary of different regional trade agreements signed by Afghanistan. The summary will be used in the Regional Economic Cooperation Conference for Afghanistan (RECCA), which is being organized by the Ministry of Foreign Affairs in Kabul on Sept. 3-5.

"Made in Afghanistan" brand: ATAR met the Federation of Indian Chamber of Commerce and Industries (FICCI) to discuss an event to launch a "Made in Afghanistan" brand in India in collaboration with USAID's Regional Agricultural Development Program-South (RADP-S) and USAID's Commercial Horticulture and Agriculture Marketing Program (CHAMP). A tentative program outline has been drawn up in consultation with FICCI and is being reviewed by RADP-S. The event is anticipated to occur in October 2015.



Visitors toured the Afghanistan pavilion at Expo Milano 2015.

Expo Milano 2015: ATAR worked with the Export Promotion Agency of Afghanistan (EPAA) to support the Afghan Pavilion at Expo Milano, which began May 1 and will run to Oct. 31, in Milan, Italy. In Milan, ATAR drafted a plan and agenda for a "Day of Afghanistan" event, including holding meetings with different Expo Milano offices; prepared a video of Afghanistan's participation, including conducting interviews with visitors and an Expo Milano official; and supported EPAA in other logistical and organizational tasks in the pavilion.

Women in trade: ATAR met the Afghanistan Women Business Federation (AWBF) and American University of Afghanistan (AUAF) to explore working with these two organizations to promote women businesses and trade. ATAR will organize a business roundtable on women and trade with these two institutions

Bilateral customs agreement: ATAR continued to provide technical assistance to ACD on a bilateral Agreement on Mutual Administrative Assistance and Cooperation on Customs Matters intended to be reached between Afghanistan and Pakistan.

After review of a proposal from Pakistan, ACD requested that ATAR assist in drafting new legal text for the agreement as a counterproposal from Afghanistan. ATAR drafted and submitted to ACD new text for the agreement. Apart the mutual administrative assistance, which is in line with a World Customs Organization (WCO) model, the Afghan proposal has a wider scope, including other areas of cooperation such as establishment of joint customs controls at the common borders and creation of customs exclaves in the territory of either country.

APTTCA meeting preparations: ATAR assisted MOCI in updating issues related the Afghanistan Pakistan Transit Trade Agreement (APTTA). This will be discussed in the next Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting scheduled for the second half of August in Kabul. ATAR is assisting MOCI in preparing the agenda and other documents for the next APTTCA meeting.

India International Trade Fair: ATAR coordinated meeting with other USAID implementing partners to prepare for an Afghan pavilion at the India International Trade Fair to be held in India in November. USAID's CHAMP, RADP-S, Financial Access to Investing in the Development of Afghanistan (FAIDA), and Regional Agricultural Development Program-West (RADP-W) agreed to participate jointly and the cost of exhibition space could be divided among the projects. The projects agreed that EPAA should be the face of the Afghan pavilion, and the private sector will bear other expenses.

New trade opportunities for Afghanistan: ATAR began assisting the private sector to find new export orders from India and Turkmenistan after Pakistan recently increased tariff by more than 200 percent on Afghan fresh produce. ATAR also assisted in a quick-impact evaluation of the sudden increase in seasonal duties.

ATAR also updated notes on transit-trade issues between Afghanistan and Pakistan; bilateral trade issues between Afghanistan and Pakistan; and key impediments to trade with India via Pakistan. In addition, ATAR finalized development of product-specific export promotion, marketing, and branding strategies for Pakistan and delivered the document to EPAA.

2. Kyrgyz Republic

WTO TFA working group meeting: The first WTO Trade Facilitation Agreement (TFA) working group meeting, which was sponsored by GIZ, was on held on July 24. The working group members included officials from the Ministry of Economy, the customs policy department and trade policy departments, the customs brokers association, the suppliers association, the Single Window Enterprise, the veterinarian and phytosanitary departments, and the Kyrgyz Chamber of Commerce and Industry.

ATAR made a presentation of the tasks to be performed by the working group. During the session, the group divided the 40 sub-articles into three categories and assigned three groups to review them and determine the next steps required to begin the work necessary to gain compliance.

CBTA: In the first half of July, the head of the International Relations Department of the Ministry of Transport and Communication (MOTC) said MOTC received signatures from ministries on a list of endorsements for Afghanistan's protocol of accession to the Cross Border Transport Agreement (CBTA).

The official said some of the signatures also had comments attached, but she was not able to disclose the content of the comments. She said she did not expect to receive responses from all of the ministries until late August. ATAR will check further in the last week of August.

AEO: ATAR continued working on developing recommendations for establishing an Authorized Economic Operators (AEO) program in the Kyrgyz Republic. Such a program would enable customs to move low-risk cargo expeditiously through the ports of entry and border crossing points.

During the second half of July, ATAR met with the Head of the Customs Policy Department of the Ministry of Economy to discuss the AEO program for Kyrgyz Republic. He indicated his department had drafted a regulation being considered by the government, adding it was in total compliance with the Customs Union Code and the WTO TFA. He indicated he would send ATAR a copy.

3. Tajikistan

Support to the State Customs Service: ATAR continued to develop a model concept for an AEO program for consideration by the Tajik government. In the latter half of July, ATAR met with the newly appointed manager of the Customs Risk Management and Post Clearance Audit Division to provide an account of ATAR's activities, to ensure hand-over of materials, and to discuss training.

In addition, ATAR contributed to the action plan for customs to achieve compliance with the Revised Kyoto Convention. ATAR's contribution was based on analyses conducted by USAID's Trade Accession and Facilitation (TAFA) project in May 2013 and was shared with the GIZ trade facilitation team upon the request of the Ministry of Economic Development and Trade (MEDT). MEDT will accept the recommendations and discuss with Tajik customs.

Support to the MEDT: On July 14, ATAR participated in a working group called "Modernization of the system of food safety control in Tajikistan" organized by USAID's Regional Economic Cooperation (REC) project. ATAR discussed the impact of food safety measures that may be introduced at the cross-border stations with respect to cargo in transit. MEDT will submit a proposal to the Tajik government on the adoption of a single agency of food safety control.

On July 9, ATAR participated in the third roundtable of the post-WTO accession work plan. During the meeting, donors and implementing partners shared commitments to specific activities within the plan.

On July 23, ATAR participated in the Single Window coordination committee meeting to discuss the activities of the European Union program. On Sept. 23, the first Deputy Minister of the MEDT and the first Deputy Chairman of Tajik customs will start audits of the readiness of the twelve Single Window partners with the aim to implement prior to the close of 2015.

On July 28-29, ATAR also participated in a trade facilitation workshop with private and public sector and donor coordination council members. Participants focused primarily on category C commitments, and the workshop culminated in planning for the inaugural National Trade Facilitation Council meeting in September 2015.

Support to the private sector: At the request of the president of the Association of International Transport Operators of Tajikistan (ABBAT), ATAR participated in a discussion on July 21 of the reform of the national transport laws, the desire to institute monitoring reviews of Tajik commitments to international trade and transit agreements, confusion faced by the carrier industry due to management of the border between the Kyrgyz Republic and Kazakhstan, and ABBAT's support to the Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA) negotiations.

On July 24-25, ATAR collaborated with the Sughd Regional Administration and other donors on a regional trade fair called "Sughd-2015" in Khujand. The fair brought together more than 100 exhibitors from Afghanistan, Belarus, Kazakhstan, Kyrgyzstan, Latvia, Poland, Russia and Turkey from sectors such as agriculture, light industry, food production, services, and construction materials. The fair was preceded by a trade forum discussing ways to facilitate trade expansion and the export potential of the Sughd region.



ATAR collaborated with the Sughd Regional Administration and other donors on a regional trade fair in Tajikistan.

4. Turkmenistan

Ministry of Textile Industry: On July 7, ATAR met with the head of the Department of Foreign Economic Affairs of the Ministry of Textile Industry of Turkmenistan. Fabric samples from Afghanistan were presented to identify production potential of Turkmen factories to produce materials for Afghanistan.

The meeting was a follow-up to a May meeting that explored the possibility of the Turkmen textile industry meeting Afghan buyers' needs and possible cooperation between Afghan businesses and the Ministry of Textile Industry of Turkmenistan.

Export trainings: ATAR submitted a quarterly plan for July through September and is awaiting concurrence of the Turkmen government for a seminar on the Revised Kyoto Convention for the State Turkmen Customs Service and a seminar on export promotion strategies for the Institute on Research of Commodity Circulation of Turkmenistan's National Goods, the Institute of Strategic Planning and Economic Development of Turkmenistan, and the Chamber of Commerce and Industry of Turkmenistan.

Meeting at USAID Turkmenistan: On July 30, ATAR met with the new USAID Country Director and familiarized the Country Director with ATAR's activities in Turkmenistan.

Cooperation with RADP-West: At the request of RADP-W, ATAR is researching the possibility of exporting grapes from Afghanistan to Turkmenistan. ATAR began researching the grape market and facilitating contact with the Turkmen Transportation and Logistics Co. that has trucks on both sides of the border to transport produce from Afghanistan to Turkmenistan.

5. Uzbekistan

Risk management software: During a meeting with USAID/Almaty, Uzbek customs expressed appreciation for the May 2015 training provided by ATAR on risk management and AEO and wanted to know whether ATAR could support with respect to risk management software. ATAR has started to look into the matter. ATAR could not meet with responsible Uzbek officials in July given their holiday plans in order to seek further clarifications on their needs.

Customs training: ATAR continued preparing additional proposals for training Uzbek customs on post-clearance audit and customs valuation. These proposals will be submitted through official letter for consideration by authorities. ATAR finalized the draft proposal on customs valuation training.

Route study: ATAR finalized terms of reference for a study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. The study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan.

The Uzbek Chamber of Commerce and Industries (UCCI) and the Association for Development of Business Logistics (ADBL) are both supportive of this effort and promised to assist data collection and presentation of reports for public discussions among stakeholders. ATAR started preparing a survey questionnaire for data collection.

Logistics center: Per request of ADBL, ATAR reviewed the concept presentation for establishing a major logistics center in Uzbekistan. ATAR prepared comments for meeting best practices and will share these with ADBL in early August.

Meeting with donors and stakeholders: ATAR held a series of meetings with donors and stakeholders to introduce ATAR local representative and coordinate on activities. These included UNDP, GIZ, International Finance Corp., AmCham, the Chamber of Commerce and Industry of the Republic of the Uzbekistan, and ADBL. ATAR also held a meeting with the recently launched USAID agricultural value chain project and the Commercial Attaché of the Afghan Embassy in Tashkent.

6. Cross-Cutting

TIR Convention: On July 20-24, ATAR visited New Delhi, India, to assess the country's readiness to accede to the Transports Internationaux Routiers (TIR) Convention. ATAR interviewed FICCI, All India Transporters Welfare Association (AITWA), the Asia Institute of Transport Development (AITD), and private transport operators.

ATAR concluded that it was premature for the country to accede to TIR. The country has a significant maritime industry, which lowers the importance of land transport. However, India is interested in referring to TIR technical elements to draft a regional motorway act with Nepal and Bhutan.

Component 2: Looking Forward

- Continue to support the PATTTA
- Continue supporting development of National Export Strategy of Afghanistan
- Continue development and finalization of modalities for Afghan customs at Karachi; transshipping in Peshawar; and a single border stop at crossing point Afghanistan-Pakistan
- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Support the Tajikistan State Customs Service for awareness and further development of an AEO program
- Facilitate the development of a memorandum of understanding on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Support the Tajikistan State Customs Service on the national strategy for integrated border management
- Launch trade route mapping study for Uzbekistan/India/United Arab Emirates
- Support implementation of select provisions of trade facilitation in Kyrgyz Republic, including AEO
- Develop country-specific action plan based on regional study on comparative advantages and trade complementarity
- Continue implementation of aspects related to South Asia strategy
- Continue promoting regional trade and customs initiatives with Central Asia Republics
- Continue supporting SAFTA implementation and continue support the SAARC Ministerial meeting to be held in Kabul in October 2015

- Start support for the RECCA meeting to be held in September 2015

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION[5]

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

ACD compliance strategy: ACD continued to review documents submitted by ATAR on the Internal Audit Unit and Professional Standards Unit that will form part of a comprehensive compliance strategy. ATAR will discuss the papers and the strategy further to progress implementation. If agreed upon, ATAR will propose the implementation of working groups to move these initiatives forward.

Reduce corruption at ACD: In tandem with the ACD compliance strategy, ATAR regional staff continued to review areas where enhanced use of automated systems may help reduce opportunities for corruption and identify management controls in place and being used by ACD managers. The review will highlight best practices and identify shortcomings and propose solutions.

E-Pay: The pilot phase of electronic payment, or E-Pay, of customs duties continued with a focus on HKIA and Kabul ICD. Major communications companies such as Etisalat, MTN, AWCC, and Roshan are using E-Pay to pay their customs duties. Revenue generated from E-Pay comprises more than 25 percent of total revenue collected in Hamid Karzai International Airport. It is expected that this figure will rise considerably with the closure of Da Afghanistan Bank (DAB) branches.

The pilot phase of E-Pay began in May. ATAR worked closely with DAB and ACD since the start of the project to reach an agreement on electronic payment and implement the system.

Risk management: ATAR continued to progress risk management and profiling through the implementation of the risk management working group. Via the working group, ATAR obtained relevant information from the Automated Systems Customs Data (ASYCUDA) system that helped identifying working level issues with risk management.

To ensure a focused effort, the working group agreed to concentrate on data received from the Jalalabad ICD initially. The group continued to analyze the data and will present findings to the Director General in August. The analysis will highlight changes to risk categories (high, medium, or low) and project the number of future examinations in green, yellow and red lanes, which will assist in targeting resources against non-compliant trade.

The Chairman of the working group will attend the next Risk Management Committee meeting to advise on the role of the working group and propose changes to existing risk profiles at Jalalabad ICD. The

[5] Security restrictions prevented Component 3 staff from embedding at or conducting meetings at ACD during much of the first half of July.

proposed changes will be a result of an analysis of information performed by the working group with ATAR support.

The risk management working group requested refresher training in completion of the ASYUCUDA Profile Request 1 (APR1), which is used for request and approval of risk profiles. ATAR agreed to provide refresher training to risk management and intelligence officers. This training has been delayed due to the security situation and will be delivered when ATAR can be redeployed to ACD.

ATAR continued installing new equipment to support the national anti-smuggling hotline and expects the hotline will be operational in August.

Streamlined customs procedures: ATAR regional customs specialists continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures, which contains thirteen steps.

ATAR continued to report on the status of streamlined procedure compliance at the following ICDs: Kabul, HKIA, Jalalabad, Herat, Hairatan, and Mazar. The report, which will be forwarded to ACD management, will identify non-compliant steps and the reasons they were introduced.

ATAR worked closely with ACD legal department to establish the legal basis of implementing additional steps. Initial findings indicate that the inclusion of additional steps is illegal without the proper process and authority. ATAR will work with ACD to review additional steps to establish whether they should be removed or not.

The latest status report highlights that all ICDs have introduced additional steps.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	1	2
New steps introduced	4	1	5	3	7
Total Additional Steps	5	7	6	4	9
TOTAL	18	20	19	17	22

In addition to the above, ATAR is also reporting on the release times of consignments which are allocated to either the green lane (release), yellow lane (documentary check), and red lane (examination). The latest release times are shown below.

	Green	Yellow	Red
Herat ICD	40 Minutes	1 Hour	2 Hours 25 Minutes
HKIA	N/A	N/A	N/A
Jalalabad ICD	1 Hour 12Minutes	1 Hour 30 Minutes	2 Hours 20 Minutes

Balkh ICD	40 Minutes	1 Hour 10 Minutes	1 Hour 30 Minutes
Aquina ICD	50 Minutes	1 Hour 30 Minutes	2 Hours
Shir Khan Bandar	40 Minutes	1 Hour 10 Minutes	1 Hours 140 Minutes

ANCA support: ANCA trainers finalized the review of the customs induction material developed by the Border Management Task Force (BMTF) and are developing trainers' notes for each module.

ATAR completed management modules in leadership, motivation, time management, team working, influencing and decision-making. These modules will include exercises for the trainees to allow them to transfer theory into their daily business environment.

ATAR also met with Afghanistan National Customs Academy (ANCA) staff to receive a demonstration of the human resources/training database developed by ATAR. The database was not operational and only limited information has been submitted for input. ATAR will work with ANCA staff to populate the database with the necessary information.

Post clearance audit analysis: ATAR continued to support the development of ACD's Post Clearance Audit (PCA) Department. The PCA working group met on July 27 and covered action points and tasks that needed completion.

Component 3: Looking Forward

- Continue regional work with ACD
- Continue to assist ACD in reviewing regulations and procedures
- Continue to support ANCA in reviewing training material and developing new material
- Continue implementation of the enforcement plan
- Produce the weekly compliance snapshot template and start providing ACD management with weekly compliance and performance data
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency
- Identifying opportunities for streamlining import procedures, improving risk management operations, and gaps in training skills
- Discuss with ACD the timeline and activities for the implementation of an Internal Audit Unit and Professional Standards Unit
- Start the development of relevant policies, procedures, and training materials in support of implementing a professional post clearance audit functions
- Continue with PCA working group meetings
- Continue risk management working group meetings
- Re-activation of the ACD national anti-smuggling hotline

ATAR ROLLING CALENDAR

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
Second half of August	**APTTCA meeting**	**Pakistani, Afghan officials**	**Kabul, Afghanistan**	**C2**
Aug. 24-25	**TIR National Capacity Building Workshop**	**IRU, MOCI, ACCI, transporters**	**Kabul, Afghanistan**	**C2**
Sept. 3-5	**RECCA**	**Officials from South and Central Asian ministries**	**Kabul, Afghanistan**	**C2**
Oct. 11-13	**Ninth Meeting of the South Asia Free Trade Area (SAFTA) Ministerial Council** **Tenth Meeting of the SAFTA Committee of Experts in Kabul in the first week of September**	**SAARC members**	**Kabul, Afghanistan**	**C2**
Dec 5-13	International Craft Selling Exhibition	EPAA	L' Artigiana Fiera Italy	C2

* Bold items indicate the possible presence of high-level officials.

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Afghanistan Trade and Revenue (ATAR) Project

November Monthly Report (Nov. 1-30, 2015)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also works in Tajikistan, Kyrgyzstan, Turkmenistan, and Uzbekistan and has activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

November Highlights

- Afghanistan reached a major milestone in its journey toward WTO accession. WTO Working Party Members agreed by consensus, *ad referendum*, on Afghanistan's accession terms at the country's fifth and final Working Party meeting in Geneva, Switzerland. Afghanistan's accession package will now head to the 10th WTO Ministerial Conference for formal adoption in December 2015.
- Afghanistan continued to progress its WTO-related legal reforms. The draft Law on Industrial Designs proceeded to the Lower House of Parliament. In addition, the Council of Ministers approved the draft Law on Food Safety with minor changes, and the draft will proceed to the Cabinet.
- As a result of a partnership between ATAR and UN Women, 16 Afghan businesswomen participated in the India International Trade Fair and sold $1 million of their products to Indian buyers at the event.
- ATAR conducted a five-day training program for Tajik customs trainers and practitioners on the WTO Customs Valuation Agreement, which is one of the WTO's most complex agreements and aims for a uniform system of the valuation of goods.
- ATAR delivered three presentations and moderated workshops at a trade facilitation conference organized by the European Union's Border Management Northern Afghanistan for Afghan and Tajik government officials and donor representatives.

Key Upcoming Events

- WTO Ministers are expected to formally adopt Afghanistan's accession package on Dec. 17 at the WTO's 10th Ministerial Conference in Nairobi, Kenya.
- ATAR will hold a seminar on "Afghan Women in Trade: Opportunities and Challenges" on Dec. 16.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: An Afghan delegation, led by Minister of Commerce and Industries Humayoon Rasaw, attended the country's fifth and final Working Party meeting on Nov. 11, 2015, at WTO headquarters in Geneva, Switzerland.

In a major milestone in the country's accession process, WTO Working Party members adopted Afghanistan's accession package, by consensus, *ad referendum*. ATAR accompanied the Afghan delegation and provided guidance to the group during the Working Party meeting.

"I would like to assure you that Afghanistan is committed to play by the rules of the multi-lateral trading system," said Minister Rasaw at the meeting. "We view adherence to WTO agreements as critical for strengthening the rule of law, increasing transparency and building the foundation for sound economic development in Afghanistan."







Mr. Roderick van Schreven, the Chairperson of Afghanistan's Working Party, speaks (top); the Minister and Deputy Minister of Commerce and Industries head the Afghan delegation (center); the Working Party poses at its fifth and final meeting (bottom).

Afghanistan's accession package will now head to the 10th WTO Ministerial Conference in Nairobi in December 2015 for formal adoption. ATAR will provide technical support to the Afghan delegation in preparing for the conference.

Afghanistan will have until June 2016 to ratify the deal and will formally become the WTO's 164th Member 30 days after it notifies the WTO of the ratification. At that time, Afghanistan will join a global trading organization that accounts for about 95 percent of the world's commerce.

"I feel personally that with the accession of WTO, we can give hope to the young population, hope by economic growth, give [Afghanistan] back the natural position as a regional cooperation and free transit hub," said Mr. Roderick van Schreven, the Netherlands Ambassador to the WTO and Chairperson of Afghanistan's Working Party.

ATAR supported the participation of the Afghan delegation in the Working Party meeting and provided guidance regarding protocols and formalities. ATAR provided significant input for the opening remarks by Minister Rasaw and closing statements for Deputy Minister Shinwari. USAID was explicitly appreciated for its support during the Working Party meeting.

Subsequent to the Nov. 11 meeting, ATAR prepared an action plan for commitments to be implemented by the date of accession covering legal reforms, notifications, service commitments, import and export tariff schedule, and ratification of the WTO accession package by the Afghan parliament and notification of the instrument of ratification to the WTO. In addition, the action plan included other priorities such as WTO Trade Facilitation Agreement (TFA) ratification, preparation for Agreement on Government Procurement accession, establishment of a single national enquiry and notification point, establishment of a Geneva representation office, and acceleration of preparation of laws on anti-dumping and countervailing.

2. Legislative Reforms for WTO Conformity

WTO-related laws: During November 2015, ATAR continued to support the Afghan government to advance legislative reforms for WTO conformity. The table below provides the status of WTO-related legislative items supported by ATAR as of end of November 2015. ATAR's active areas of support during the month are highlighted in light blue and laws that have changed status are bolded.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers/Cabinet[2][3] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[4]
1	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	In October 2015, the Council of Ministers held a session under the supervision of the Second Vice-President. During the session, the Second Vice-President instructed that, based on a decree of President Ghani to review trade-related laws submitted under President Karzai's administration, stakeholders review the law again and resend it to the Council of Ministers.	Ministry of Justice	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	In July 2015, the Ministry of Finance/ACD approved the procedure. ATAR updated the English version of the procedure and submitted the document to ACD in September 2015.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	In July 2015, ANSA approved the draft law and sent it to MOJ. In October 2015, MOJ sent the law back to ANSA due to its full schedule; MOJ will include it in next year's work plan.	Sponsoring Ministry	Yes[5]
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	In June 2015, the Upper House of Parliament approved the draft law. In July 2015, the law was submitted to the President for signature.	President	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	In November 2015, MOJ's Legislative Committee reviewed the law with ATAR support. Once the review is finalized, the law will proceed to MOJ's Executive Committee.	Ministry of Justice	Yes

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.

[2] Under the National Unity Government, there is a Council of Ministers and a Cabinet. The Council of Ministers is chaired by Chief Executive Officer Abdullah, and the Cabinet is chaired by President Ghani. Under the prior government, there existed only a Council of Ministers.

[3] Regulations go to the Council of Ministers and do not proceed further.

[4] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

[5] Although not on the 1393 or 1394 agenda, MOJ has agreed to consider the draft Law on Standards and Technical Regulations.

7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	On Nov. 29, 2015, the Council of Ministers approved the law with minor changes. MOJ will incorporate the Council of Ministers' revisions and will send to the Cabinet.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure in April 2014.	Entered into force	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	In June 2015, the Legislative Committee of the Council of Ministers held its first session on the law. The Adviser of the Second Vice-President and other participants had comments. In August, ATAR reviewed the comments, aligned them with WTO, and provided explanations. In September 2015, ATAR submitted the draft to MOJ. After reviewing comments and proposals of stakeholders, MOJ will resend the law to Council of Ministers.	Ministry of Justice	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In February 2015, the President endorsed the law. In May 2015, the law was published.	Entered into Force	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	On Nov. 7, 2015, MOJ sent the draft for Cabinet approval. The Cabinet ordered MOJ and MOIC to include amendments of the Afghanistan Development and Peace Research Organization (ADPRO) within two weeks. MOJ invited MOIC, ADPRO, MOCI, and ATAR to discuss the issue. ADPRO submitted its amendments on Nov. 28, 2015. ATAR is reviewing the amendments to ensure the draft is not in contradiction with WTO requirements.	Ministry of Justice	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	The President endorsed the law, and it was published in the official gazette in August 2015.	Entered into Force	Yes
13	**Law on Industrial Designs**	**MOCI Wali Faqirzaad Polly Maier**	**In November 2015, the draft law was submitted to the Lower House of Parliament.**	**Parliament**	**Yes**
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	In June 2015, the Supreme Court submitted the amendments to MOJ with comments and modifications.	Ministry of Justice	Yes
15	Law on Protection of Trade and Industry Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	In November 2015, ATAR finished its review to ensure the draft is in compliance with WTO requirements and asked MOJ to resend the draft to the Council of Ministers.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad	In April 2015, ATAR succeeded in including the law in MOJ's legislative plan. The Council	Ministry of Justice	No

		Polly Maier	of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.		
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	In October 2015, the Council of Ministers approved the draft law with a minor revision. MOJ made the revision and sent the law to the Cabinet.	Cabinet	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	Finalization of draft at MAIL is pending decision by the Minister of Agriculture, Irrigation and Livestock.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In November 2015, MOJ's Legislative Committee approved the amendments, and they will be submitted to MOJ's Executive Committee. After finishing its review, MOJ will submit the amendments to the Cabinet and Council of Ministers.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	In November 2015, MOJ's Executive Committee finished its review and agreed with the amendments. On Nov. 29, 2015, MOJ invited the relevant ministries to receive their comments on the amendments. All the ministries agreed to the amendments.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	On October 15, ATAR assisted MOJ in finalizing its technical review of the law.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	MOCI finalized the draft, which will be adopted once the Law on Foreign Trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature. MOCI, with ATAR support, requested ACD's former Director General act on the draft. ACD management changes delayed signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	In August 2015, ATAR assisted MOCI in sending a letter to MOPH highlighting parts of the regulations inconsistent with WTO and requesting a reduction of fees for producers so the fees match those charged importers; this would comply with WTO and eliminate discrimination between producers and importers. In October 2015, ATAR met the MOPH's Pharmacy Department and explained those parts of the regulations inconsistent with WTO requirements. MOPH's Pharmacy Department said it would take those parts into account while preparing changes to the regulation.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR met with the Afghan Revenue Department (ARD) in April 2015 to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	**Law on Safeguards Measures for Domestic Protection**	**MOCI Sayed Hashimi**	**In November 2015, MOCI sent the draft law to MOJ for review.**	**Ministry of Justice**	**Yes**

Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entered into Force	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Intellectual property support: Upon MOIC's request, ATAR delivered an awareness workshop to 40 publishers on Nov. 25. ATAR explained intellectual property, copyrights, the copyright law, copyright registration, and copyright infringements. MOCI invited the media, and Afghanistan's National TV broadcast the workshop and Kabul Times and Hewad Daily News published news of the workshop.



ATAR provides training on copyrights to 40 publishers at the Ministry of Information and Culture.

ATAR followed up on the ministerial processing of Afghanistan's proposed membership to the Paris Convention, Madrid Protocol and Singapore Treaty. MOCI sent the three international documents by official letter to the Ministry of Foreign Affairs (MOFA) in August, and MOFA asked MOJ and MOIC to comment on the documents in September. MOJ provided its comments, while MOIC had not. Upon ATAR's urging, MOIC sent comments to MOFA by mid-November. At the end of November, MOFA asked ATAR to detail the benefits of membership to these international intellectual property conventions. ATAR began working on a document explaining the benefits.

ATAR also followed up on ministerial review of the Berne Convention. In the middle of 2015, the Council of Ministers requested MOFA send the convention to MOJ for review. MOJ confirmed the convention is not in contradiction with the constitution and other laws and requested the Ministry of Finance review an article on budget issues and membership payment. The Ministry of Finance provided its review. MOFA subsequently sent the documents to the Council of Ministers for approval and requested ATAR translate the convention into Pashto. ATAR sent the translated convention at the end of the month.

As part of WTO membership, Afghanistan is expected to join these intellectual property conventions.

4. Assist in Building Analytical Capacity

WTO impact assessment: ATAR continued to build the capacity of MOCI's Trade Policy Analysis Unit (TPAU) through on-the-job training on the development of economic models.

Three economic models were designed to estimate WTO impact on Afghanistan economy:

- A partial equilibrium model, based on the price elasticity concept, combining about 200 tariff lines to estimate scenarios for application of bound tariff rates and estimate the impact of WTO accession on trade flow, trade diversion, fiscal revenue, balance of payments, and consumer welfare.
- A partial equilibrium model, based on effective rate of protection, to estimate impact on particular Afghan economic sectors and on the competitiveness of Afghan producers. The model covers 10 different sectors of the Afghan economy.
- An aggregate demand/aggregate supply economic model to estimate the impact of WTO accession as a multiplier effect on employment and gross domestic product.

ATAR and the TPAU continued developing partial equilibrium models for 15 sub-sectors of Afghanistan economy where Afghanistan has the potential for development of production and export to estimate competitiveness of Afghan producers, particularly for wheat and wheat flour production and for other food-processing industries.

ATAR continued providing on-the-job training on the application of the effective rate of protection model in analyzing real protection to explore development of domestic industry with focus on flour and textiles. TPAU identified tradable inputs and calculated added-value and real protection rate for producers to develop these economic sectors.

ATAR started providing training to the TPAU on developing a general equilibrium model. ATAR is assisting TPAU in the collection of information for the model and provided trainings on the theory of general equilibrium models and application of the models in analysis of trade and economic policies.

Component 1: Looking Forward

- Provide support for Afghanistan's participation in the WTO's 10th Ministerial Conference in Nairobi, Kenya
- Follow up with the Cabinet to approve the draft Law on Food Safety
- Follow up with MOJ to finalize the draft Foreign Trade Law
- Assist MOJ with technical review of draft Law on Safeguards Measures for Domestic Protection
- Support advancing all other legislation of the legislative action plan for WTO conformity
- Continue supporting development of regulations and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue support for applying to intellectual property conventions
- Launch development of the general equilibrium model with TPAU

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan.

1. Afghanistan

India International Trade Fair: With ATAR support in coordination with UN Women, 16 Afghan businesswomen participated in the 36th India International Trade Fair in New Delhi, India, from Nov. 14-27 and sold around $1 million of their products to Indian buyers. The event generated potential deals of more than $2 million.



An Afghan businesswoman places a necklace on a potential buyer at the India International Trade Fair.

ATAR supported seven businesswomen with the provision of exhibition space and assisted UN Women to identify and support another nine businesswomen. ATAR trained the 16 women on participating in an international event, conducting business negotiations, exporting goods, shipping goods for display, and obtaining documents and visas for their participation. ATAR worked closely with the Afghan Women Business Federation to work toward sustainability of the participation of Afghan women.

The India International Trade Fair is the largest consumers goods fair in the Indian sub-continent. Afghan traders showcased their fresh and dried fruit, nuts, carpets, marble, saffron, jewelry, and handicrafts. The event drew about 2,000 visitors from India and neighboring countries.

Joint Economic Commission: Afghanistan and Pakistan participated in the 10th Joint Economic Commission meeting in Islamabad, Pakistan, on Nov. 23 to discuss pending infrastructure and energy projects, the Afghanistan Pakistan Transit Trade Agreement, and other trade and transit issues. ATAR assisted MOCI in preparing an update on trade issues discussed during the meeting.

Trade finance seminar: In partnership with USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project, ATAR organized a seminar on Nov. 9 called "Access to Finance for Exporters" for more than 50 exporters to help them learn about obtaining loans that could help them grow their businesses.

Representatives from the Afghanistan Rural Finance Co., Afghanistan International Bank, First Microfinance Bank-Afghanistan, Insurance Corporation of Afghanistan, and USAID-funded projects educated participants on obtaining business loans, letters of credit, and other financial products; special assistance available for businesswomen; and best practices in conducting export deals and in shipping goods.



A representative of Afghanistan International Bank speaks about requirements for obtaining a loan at the "Access to Finance" seminar.

2. Kyrgyzstan

WTO TFA: ATAR supported the WTO TFA working group in drafting an action plan for implementation of the WTO TFA in Kyrgyzstan. The draft is expected to be presented to the Kyrgyz Ministry of Economy on Dec. 8, and the Ministry is expected to present it to Parliament on Dec. 22. ATAR also supported the drafting of an explanatory note for approval of the WTO TFA by the Kyrgyz government, and the note has been sent to the Ministry of Economy.

Customs Consultative Council: ATAR helped prepare for next Customs Consultative Council, which is scheduled for Dec. 21. ATAR held discussions with custom officials and business communities on issues to be included on the agenda of the council, which brings together Kyrgyz businesses and Kyrgyz customs officials. ATAR successfully managed to reinvigorate the council in late 2014.

5. Tajikistan

Customs support: ATAR delivered a five-day training program for customs trainers and practitioners on the principles and correct application of the WTO Customs Valuation Agreement from Nov. 23-27. The agreement provides an internationally agreed and consistent method for valuing goods for the purposes of applying custom tariffs.

Participants included customs trainers, customs operational staff, lecturers from the University of Economics and Finance of Tajikistan, and customs brokers. This was the first occasion in which Tajik Customs shared training with its primary clients. The program included a pre- and post-training test that showed participants' improved knowledge on the subject. Customs management decided to use the training materials in December for regional customs staff and brokers, and ATAR assisted with the transition of the materials to Tajik Customs' templates.



Participants in ATAR's training on the WTO Custom Valuation Agreement take a test to measure knowledge on the subject.

ATAR met with the Tajik Customs' nomenclature division two times to discuss its transition to a new nomenclature. Customs has formed an inter-agency working group with the Ministry of Economic Development and Trade to formulate a strategy for transition, after which Tajik Customs intends to seek technical assistance from donors.

Regional trade facilitation event: ATAR delivered three presentations and moderated workshops at a regional trade facilitation conference organized by the European Union's Border Management Northern Afghanistan for Afghan and Tajik government officials and donor representatives.

ATAR presentations included: "Trade facilitation: WTO and regional cooperation"; "Trade and investment opportunities in Afghanistan"; and "Regional cooperation with the focus on border management and cooperation between Afghanistan and Tajikistan". ATAR also moderated two workshops regarding strengthening the relationship between border guards and customs officials of Afghanistan and Tajikistan and between the countries' border agencies as well as measures to strengthen market access, investment, trade potential, public sector advocacy, and the logistics capacity of South and Central Asian countries.

The forum also provided ATAR an opportunity to learn of the potential for donor collaboration with the Organization for Security and Co-operation in Europe, the United Nations Development Program, and Gesellschaft für Internationale Zusammenarbeit.



A panel of speakers discusses regional trade issue at a conference in Tajikistan organized by the European Union's Border Management Northern Afghanistan.

6. Turkmenistan

Private-sector support: ATAR facilitated a meeting between an Afghan businessman and Turkmenistan's head of the Foreign Economic Affairs Department under Turkmenistan's Ministry of Textile Industry. During the meeting, the Afghan businessman expressed interest in purchasing Turkmen textile products. The Turkmen official contacted an Ashgabat textile complex, and the businessman visited the complex to examine the textile products and discuss possible purchases.

ATAR met also met with the director of NETIJELILIK Consulting Co. to discuss cooperation and possible technical assistance that ATAR could provide to Turkmen businesses.

Training and seminar support: ATAR met with the president of the Union of Economists of Turkmenistan, which has 600 members, to discuss a possible partnership in conducting seminars, providing technical assistance, and carrying out research. The president expressed interest in organizing an export promotion seminar upon the approval of the Turkmen Ministry of Foreign Affairs. The president also proposed conducting trade-related research with ATAR in Afghanistan and Turkmenistan.

ATAR also met with the country representative of USAID's Macroeconomic Project to discuss possible cooperation on a business forum in Ashgabat for Central Asian exporters in 2016.

7. Uzbekistan

Customs support: ATAR established a relationship with the International Relations Department of the Uzbek Customs Committee and discussed possible methods of cooperation for 2016. ATAR discussed such cooperation with USAID/Uzbekistan and obtained preliminary approval for further action.

ATAR has identified possible trainings and seminars for Uzbek Customs authorities, private customs broker companies, and the Association of Customs Brokers in 2016 and will work with USAID/Uzbekistan to submit to the Uzbek Customs Committee for consideration.

Trade route study: ATAR continued the trade route mapping study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. The study will support the promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan and identification of improvements on the Afghan routes.

Component 2: Looking Forward

- Continue to support the Pakistan Afghanistan Tajikistan Transit Trade Agreement
- Continue work related to advancing the ratification in the Kyrgyz Republic of the Cross Border Transport Agreement protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Continue supporting the WTO TFA ratification by Kyrgyzstan
- Support Tajikistan Customs on the national strategy for integrated border management
- Continue promoting regional trade and customs initiatives with Central Asia Republics

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

Support regional integration: MOFA continued to review the memorandum of understanding (MoU) on mutual assistance between the United Arab Emirates and Afghanistan, which was submitted by ACD after ATAR's review.

At a Nov. 5 meeting, the Deputy Minister urged ACD to progress matters with MOFA regarding the MoU and requested ACD provide information on the number of MoUs already signed. ACD responded that two MoUs – one with Tajikistan in 2014 and one with Iran in 2015 – were signed, and drafts were shared with Uzbekistan, Turkmenistan, and the United Arab Emirates. ATAR will continue to support ACD in these initiatives where possible as the transfer of real-time data on exports is essential to the collection of revenue in Afghanistan.

Organizational compliance: During two meetings between ATAR and the Deputy Minister, the Deputy Minister indicated his full support for the Internal Compliance Unit (ICU) concept proposed by ATAR and said he would sign the necessary policy documents once they are submitted. ATAR advised him that the translation review of these documents from English into Dari was underway, and the documents would be submitted for his review. Once signed, ATAR will start implementation and deliver associated training.

The Deputy Minister also indicated his full support for the Professional Standards Unit (PSU) concept proposed by ATAR and tasked the Director of Support and Development with including the positions within ACD's official organizational structure.

ACD's Director General requested ATAR meet with the Afghanistan Revenue Department (ARD) Director of Large Tax-Payer Officer regarding government anti-corruption efforts. During the meeting, the ARD Director said the Minister of Finance tasked him with developing an anti-corruption strategy for ACD and ARD. At his request, ATAR drafted ACD's portion of this strategy. The document was well received, and the Director requested follow-up meetings to progress the strategy.

Trade compliance: ATAR continued to support the development of ACD's Post Clearance Audit (PCA) Department, following up on the prior month's technical training with weekly PCA working group meetings and ad-hoc mentoring of PCA staff.

The working group continued to take action on tasks that will help align PCA with international standards, with the goal of adopting the new policy and procedures in the next six months. ATAR is reviewing the Dari version of the draft PCA guidelines and will submit them to ACD in December.

The PCA team expressed concern about the lack of access to import data from ACD's Automated System for Customs Data (ASYCUDA) section to enable effective audit planning. To progress matters, representatives of the ASYCUDA section attended a PCA working group meeting, in which there was discussion regarding the provision of more user accounts to PCA staff to enable them to research and target areas of trade.

During ATAR's meetings with the Deputy Minister, ATAR provided an overview of risk management at ACD. It was agreed the current strategy of sending most consignments for physical examination was ineffective, and intervention needed to be realigned. The Deputy Minister and Director General requested they be present at the next risk management working group meeting so they can reinforce this message.

The Deputy Minister also requested ATAR undertake a review of a company's proposal for implementation of an electronic seal program. This would provide ACD with access to tracking international consignments across Afghanistan, mitigating issues with goods being diverted without appropriate taxes being paid. ACD agreed with ATAR's conclusion that the cost to the trader for using such electronic seals (at least in the way proposed by the company) would be prohibitive to legitimate transit trade. ATAR will assist the ACD in redrafting the request for proposal to ensure technical specifications are such that any costs to the trader are minimized.

TIR/Transit: ATAR continued to support ACD in furthering implementation of the Transports Internationaux Routiers (TIR) Convention, which is a customs transit system that simplifies the movement of cargoes across at least one international border.

ATAR attended two TIR workshops on Nov. 17 in Karachi and Nov. 19 in Islamabad, which were organized by the Economic Cooperation Organization (ECO) and the International Road Transport Union. ECO countries were invited to share experiences regarding TIR implementation. The workshops aimed to clarify the responsibilities of all parties, particularly customs authorities, in operating TIR successfully.

ACD's transit manager delivered a presentation on trade benefits from TIR operations between Pakistan and Afghanistan, and ATAR delivered a presentation highlighting the impact of TIR implementation on regional trade corridors. Participants agreed further cooperation and workshops would assist in the implementation of TIR in region.

On Nov. 9, ATAR also attended the TIR working group meeting at ACD. The main topic was proposed changes to the TIR procedure, which is expected to be finalized next month.

E-pay: ATAR continue to request Da Afghanistan Bank (DAB) submit the technical specification for the software patch to allow connectivity between the DAB and ACD systems and fully automate the electronic payment of customs duties, or E-Pay.

When received, ATAR will submit a request for funding to cover the costs of the required software upgrade. This patch will allow the DAB banking system and the ACD processing system to interact on a fully automated level and facilitate electronic acquittal of customs declarations.

Outreach campaigns: Following a request from the Director General in reviewing customs currency controls at Hamid Karzai International Airport (HKIA), ATAR developed a draft poster in Dari, Pashtu and English for currency control at HKIA.

Upon approval of ACD, ATAR will print the posters for placement in key areas of the airport so that travelers are aware of the requirement to declare cash in excess of $10,000. On acceptance by ACD, ATAR will facilitate a press launch and provide guidance on customs currency controls at the airport.

In addition, ATAR provided awareness posters to ACD for the launch of E-Pay in Mazar-i Sharif, which is expected to occur in December. ATAR also awaited ACD's possible procurement of a toll-free number before finalizing a poster to publicize a hotline that will allow callers to report suspicious activity for subsequent investigation.

Capacity building of ACD managers: ATAR regional staff began drafting content for management standards and a template for management and site risk profiles. This will be reviewed by in early 2016 before submission to ACD regional directors for discussion.

This is part of ATAR's initiative to support the capacity of ACD managers through the implementation of management standards, management profiles, and site profiles, which will allow managers to continually review their current capabilities against the perceived risk to customs and how to treat those risks.

Streamlined customs procedures: ATAR regional specialists continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures, which contains thirteen steps. The Director General told ATAR that he will advise all regional directors that the original streamlined procedures decree must be adhered to. ATAR will monitor and report directly to the Director General if additional steps continue. The latest status report is below:

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	2	2
New steps introduced	4	1	5	3	7
Total additional steps	5	7	6	5	9
TOTAL	**18**	**20**	**19**	**18**	**22**

In addition, ATAR monitored the release times of consignments allocated to the green lane (immediate release), yellow lane (documentary check), or red lane (physical inspection). The below chart provides the release time in minutes for each month from June through November

	Herat ICD			HKIA			Jalalabad ICD			Balkh ICD			Aquina ICD			Sher Khan Bandar ICD		
Month	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red
June	45	60	180	50	68	75	85	98	130	60	90	120	50	90	120	60	80	150
July	40	60	145	N/A	N/A	N/A	72	90	140	40	70	90	50	90	120	40	70	100
Aug.	50	60	105	N/A	N/A	N/A	55	70	100	50	70	90	50	90	120	40	70	100
Sept.	45	70	90	N/A	N/A	N/A	54	66	100	70	90	120	50	90	120	40	70	100
Oct.	55	100	150	N/A	N/A	N/A	58	72	95	70	90	120	50	90	120	40	70	100
Nov.	55	75	90	64	85	140	52	66	90	40	70	110	50	90	120	40	70	100

* All time in minutes.

Component 3: Looking Forward

- Continue the development of ACD risk management to target non-compliant trade and facilitate compliant trade and support the risk management working group
- Agree with Deputy Minister and ACD the timeline and activities for the implementation of an ICU and PSU
- Continue to support development of professional PCA unit and the PCA working group
- Continue to support ACD in the development of TIR
- Agree the four areas of legislation and procedures with ACD for review
- Support the implementation of e-pay in Mazar-i Sharif
- Progress the national hotline and currency control initiative at HKIA
- Agree on a timescale for implementation of a trade awareness education program

ATAR ROLLING CALENDAR OF KEY EVENTS

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
December 5-13	International Craft Selling Exhibition (L' Artigiano Fiera)	Afghan business-women	Milan, Italy	C2
December 16	Seminar on Afghan Women in Trade: Opportunities and Challenges	Ministry of Women's Affairs, business-women, donor projects	Kabul, Afghanistan	C2
December 15-18	**WTO 10th Ministerial Conference**	**WTO observers and members**	**Nairobi, Kenya**	**C1**

* Bold items indicate the possible presence of high-level officials.

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FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project

October Monthly Report (Oct. 1-31, 2015)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also works in Tajikistan, Kyrgyzstan, Turkmenistan, and Uzbekistan and has activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

October Highlights

- The Ministry of Commerce and Industries (MOCI) and ATAR met with President Ghani and his advisors to discuss WTO commitments, benefits, and challenges. In a major development, President Ghani expressed his support for WTO accession and agreed to move forward with concluding WTO accession negotiations in 2015.
- ATAR supported trainers who had participated in the project's "train-the-trainers" sessions on general principles of food hygiene in September. With ATAR support, trainers from the government and academia held trainings on general principles of food hygiene for a total of 80 government employees and students. The training will help support the implementation of the Law on Food Safety.
- ATAR held a Global Supply Chain Forum in partnership with MOCI and the Export Promotion Agency of Afghanistan (EPAA) for 80 businesspeople. Participants discussed opportunities and challenges in getting Afghanistan's high-quality products through the global supply chain – from the supplier to overseas markets such as India, the United Arab Emirates and the European Union.
- ATAR facilitated a Transports Internationaux Routiers (TIR) Awareness and Promotion Workshop for 68 transport operators, freight forwarders, and government officials. The workshop aimed to raise awareness of the TIR Convention and how it facilitates transit trade. ATAR also delivered a TIR train-the-trainers workshop for 12 customs officers.

Key Upcoming Events

- Afghanistan's fifth and final WTO Working Party meeting is scheduled in Geneva, Switzerland, for November 11.
- The next South Asian Regional Standards Organisation Sectoral Technical Committee on Electrical, Electronics, Telecom, and Information Technology is scheduled to occur in Kabul on December 7-8.

Comment ["]: Is this law still with the Ministry of Justice, if so why support implementation of the law before its finalized?

Comment ["]: Are there any outcomes?

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: In early October, MOCI and ATAR met with President Ghani and his advisors to discuss WTO commitments, benefits, and challenges. President Ghani expressed his support for WTO accession and agreed to move forward with concluding WTO accession negotiations in 2015.

Prior to this, ATAR and MOCI met several times with members of President Ghani's economic policy and strategy team, including National Economic Advisor Zakhilwal. In support of the interactions with the President's office, ATAR assisted MOCI in preparing and providing numerous papers, including: 1) a 10-page summary covering WTO status and merits of accession, regional implications, government procurement, and competitiveness; 2) a note on the road to the Nairobi Ministerial Conference; 3) a note on WTO and manufacturing in Afghanistan; 4) a note on the dispute settlement process and transit; 5) a note on benefiting from WTO membership; 6) Afghanistan's legislative action plan; 7) WTO rules and commitments of Afghanistan; 8) detailed clarifications on commitments and service commitments; 9) list on unbound industrial goods; 10) list of agricultural goods with high bound rates; 11) list of prohibited goods; 12) services schedule; 13) list of WTO agreements and understandings; 14) talking points for the MOCI Deputy Minister; and 15) talking points for the MOCI Director General of International Trade.



In a major development, President Ghani agreed to move forward with concluding WTO accession negotiations in 2015.

Following President Ghani's approval to move forward with WTO accession negotiations, ATAR assisted MOCI and the WTO Secretariat in updating and finalizing Afghanistan's Draft Working Party Report, which was disseminated to WTO Working Party members along with three other documents of the accession package: the protocol of accession, the schedule of concessions and commitments and goods, and schedule of specific commitments on services.

The fifth and final Working Party meeting was scheduled for November 11, 2015. Working Party members are expected to adopt Afghanistan's accession package *ad referendum*. ATAR will accompany and guide the negotiations team during the fifth Working Party meeting in Geneva, Switzerland.

Final adoption of the package will occur by the WTO Ministers at the 10th Ministerial Conference in Nairobi, Kenya, from December 15-18, 2015. ATAR will provide technical support to the Afghan delegation in preparing for the Nairobi Ministerial Conference.

After adoption *ad referendum* by the Working Party and final adoption at the Nairobi Ministerial Conference, the Council of Ministers of Afghanistan will approve Afghanistan's WTO accession package and submit it to the National Assembly for ratification. Afghanistan is seeking one year for ratification to allow sufficient time to adopt all remaining reforms and not default on its commitments.

2. Legislative Reforms for WTO Conformity

WTO-related laws: During October 2015, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table below provides the status of WTO-related legislative items supported by ATAR as of end of October. ATAR's active areas of support during the month are highlighted in light blue and laws that have changed status are bolded.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers/Cabinet[2][3] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[4]
1	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	On October 25, the Legislative Committee of the Council of Ministers held a session under the supervision of the Second Vice-President. During the session, the Second Vice-President instructed that, based on a decree of President Ghani to review trade-related laws submitted under President Karzai's administration, that stakeholders such as the Ministry of Finance, ACD, and Afghanistan Chamber of Commerce and Industries (ACCI) review the law again and resend it to the Legislative Committee of Council of Ministers.	Ministry of Justice	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling and Binding Decisions (including regulations)	ACD Wali Faqirzaad Brian O'Shea	The Ministry of Finance/ACD approved the procedure in July 2015. ATAR updated the English version of the procedure and submitted the document to ACD in September 2015.	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Under the National Unity Government, there is a Council of Ministers and a Cabinet. The Council of Ministers is chaired by Chief Executive Officer Abdullah, and the Cabinet is chaired by President Ghani. Under the prior government, Ministry existed only a Council of Ministers.
[3] Regulations go to the Council of Ministers and do not proceed further.
[4] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	In July 2015, ANSA's management board approved the draft law and sent it to MOJ. In October, MOJ sent the law back to ANSA due to its full schedule; MOJ will include it in its next year's work plan for review.	Sponsoring Ministry	Yes[5]
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	In June 2015, the Upper House of Parliament approved the draft law. In July 2015, the law was submitted to the President for signature.	President	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	During October, MOJ had two working group meetings on the law and reviewed the first four articles with ATAR assistance. Once the review is finalized, the law will proceed to MOJ's Executive Committee.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During a meeting chaired by both deputy ministers in August 2015, MAIL and MOPH agreed both ministries will implement the law jointly and their jurisdiction will be defined in a regulation. ATAR provided technical support by preparing and reviewing the proposed language of the regulation. In October, MOPH and MAIL continued discussions on areas of responsibility. Once MOPH and MAIL reach an agreement, the law will be sent to the Council of the Ministers.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure in April 2014.	Entered into force	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	In June 2015, the Legislative Committee of the Council of Ministers held its first session on the law. The Adviser of the Second Vice-President and other participants had comments. In August, ATAR reviewed the comments, aligned them with WTO, and provided explanations. In September 2015, ATAR submitted the draft to MOJ. After reviewing comments and proposals of stakeholders, MOJ will resend the law to Council of Ministers.	Ministry of Justice	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In February 2015, the President endorsed the law. On May 20, 2015, the law was published.	Entered into Force	Yes
	Amendments to the Law on Supporting the Right of Authors	Ministry of Information and	In June, ATAR finalized the draft with the Afghanistan Development and Peace Research Organization (ADPRO). In October, ADPRO said that it will have additional proposed changes regarding the draft.		

[illegible] Agenda, MOJ has agreed to consider the draft Law on Standards and Technical Regulations.

	(Copyrights Law)	Polly Maier	ATAR urged MOJ to resend the draft to the Council of Ministers, because ADPRO was delaying the process as the draft was approved by the Legislative Committee of the Council of Ministers in November 2014. MOJ prepared an official letter to send the draft law to the Council of Ministers, and the letter is awaiting signature by the Minister of Justice.		
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	The President endorsed the law on August 4, 2015, and it was published in the official gazette on August 17.	Entered into Force	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	In July 2015, the Legislative Committee of the Council of Ministers approved the draft with minor changes. The draft was sent to the Cabinet, and the Cabinet approved the law on August 25. ATAR is assisting MOJ in translating the law from Dari into Pashto. Upon completion, the law will be sent to the Lower House of Parliament.	Cabinet	Yes
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	In June 2015, the Supreme Court submitted the amendments to MOJ with comments and modifications.	Ministry of Justice	Yes
15	Law on Protection of Trade and Industry Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	On October 11, ATAR participated in a session with the Legislative Committee of the Council of Ministers on the draft law. At the session, the committee asked MOJ to include certain definitions and bring changes in the penalty section. MOJ and ATAR shared the changes with MOIC's Acting Head of Legal Affairs, who agreed to the changes. ATAR is reviewing the changes to ensure the draft is fully consistent with WTO requirements.	Council of Ministers	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	In April 2015, ATAR succeeded in including the law in MOJ's legislative plan. The Council of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.	Ministry of Justice	No
17	**Law on Consumer Protection (provisions on Unfair Competition)**	**MOCI Sayed Agha Hashimi Polly Maier**	**In October 2015, the Council of Ministers approved the drat law with one minor revision. MOJ made the revision and sent the law to the Cabinet.**	**Cabinet**	**Yes**
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	In June 2015, ATAR met with the Minister of Commerce and Industries, who said he was prepared to resolve any problems agencies had with WTO laws, including this law. Upon his request, ATAR prepared a summary of the draft law. ATAR will submit it to the Minister, who will encourage the MAIL Minister to proceed with the draft.	Sponsoring Ministry	Yes

19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In June 2015, the amendments on the law were submitted to the Legislative Committee of the Council of Ministers. In July 2015, ATAR updated the English version of the amendments.	Council of Ministers	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	In October, MOJ's relevant legislative department finished its review of the amendments. On October 30, MOJ's Legislative Executive Committee held its first session to discuss the amendments.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	On October 15, ATAR assisted MOJ in finalizing its technical review of the law.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	MOCI finalized the draft, which will be adopted once the Law on Foreign Trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature. MOCI, with ATAR support, requested ACD's former Director General act on the draft. ACD management changes delayed final signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	On August 30, 2015, ATAR assisted MOCI in sending a letter to MOPH highlighting parts of the regulations inconsistent with WTO and requesting a reduction of fees for producers so the fees match those charged importers; this would comply with WTO and eliminate discrimination between producers and importers. On October 3, ATAR met the MOPH's Pharmacy Department and explained those parts of the regulations inconsistent with WTO requirements. MOPH's Pharmacy Department said it would take those parts into account while preparing changes to the regulation.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR met with the Afghan Revenue Department (ARD) in April 2015 to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	In October, MOJ returned the draft to MOCI with comments. ATAR provided technical assistance to MOCI to address the comments, and MOCI will resend the draft to MOJ.	Sponsoring Ministry	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entered into Force	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Food safety: On October 3, ATAR facilitated a visit to a local meat processing company for 10 participants of the project's train-the-trainers sessions on general principles of food hygiene that were held in September. The participants toured the company's kitchen and restaurant facilities and observed best practices in action.



ATAR-supported food hygiene trainers from government and academia observed best practices at a Kabul-based meat processing company.

Throughout October, ATAR supported the trainers who participated in the project's prior training on general principles of food hygiene. On October 4, ATAR supported an MOCI trainer in holding a food hygiene training for nine MoCI staff. On October 5, ATAR supported a National Agriculture Education College (NAEC) trainer in conducting the training for 33 NAEC students. On October 6, ATAR supported an MOPH trainer who provided the training to 20 MOPH staff. On October 7, ATAR supported a trainer from Kabul Univeristy Faculty of Agriculture in presenting the training to 18 agricultural faculty students.

In the latter half of October, ATAR also worked on a needs assessment for establishing a food control authority that would help support the draft Law on Food Safety.

Customs valuation: ATAR worked closely with the ACD Valuation Department to support the application of customs valuation methods and procedures. Upon ACD's request, ATAR conducted a quick review of the ASYCUDA World valuation control system as it is implemented at the ACD Valuation Department. ATAR discussed its findings and recommendations with ACD. The WTO Customs Valuation Agreement is one of the most complicated WTO agreements and ensures fairness for traders and greater transparency in determining value of goods.

Plant protection and quarantine: ATAR worked with five staff of MAIL's Plant Protection and Quarantine Directorate to revise standard operating procedures (SOPs) for Afghanistan's quarantine system in accordance with standards recommended by the International Plant Protection Convention (IPCC).

Comment ["]: Are these SOPs a prerequisite to legislation or part of implementation?

With the Plant Protection and Quarantine Law with the President for signature, ATAR worked with the PPQD on ensuring all materials that have been revised recently were translated into Dari and vetted for technical content. The PPQD also revised the proposed pest monitoring and surveillance protocol for priority pests and diseases.



ATAR worked with the Plant Protection and Quarantine Department on revising standard operating procedures for Afghanistan's quarantine system.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Metrology support: ATAR completed a needs assessment for the National Metrology Institute and preparation of a draft model law on legal metrology and a draft model law on legal units of measurement. ATAR submitted the assessment to ASNA's Deputy Director General for review.

5. Assist in Building Analytical Capacity

WTO impact assessment: ATAR continued developing a partial equilibrium model to support MOCI's Trade Policy Analysis Unit (TPAU) in assessing the impact of Afghanistan's WTO tariff commitments on trade flow, trade diversion, fiscal revenue, balance of payments, gross domestic product, employment, and consumer welfare.

ATAR and the TPAU continued developing partial equilibrium models for 15 sub-sectors of Afghanistan economy where Afghanistan has the potential for development of production and export to estimate competitiveness of Afghan producers, particularly for wheat and wheat flour production and for other food processing industries.

6. Assist in Building WTO Awareness

WTO outreach: ATAR and MOCI prepared awareness briefs on the benefits of WTO membership, WTO dispute settlement, and WTO rules and commitments. ATAR supported MOCI in the development of comparative graphs that demonstrated the impact of WTO membership on economic growth and trade for 37 Least Developed Countries (LDCs) and regional non-LDCs as well as on graphs on economic growth, foreign investment, and exports for 12 LDCs that are WTO members.

Comment ["]: Were these materials shared with USAID?

On October 13, ATAR gave a presentation called "WTO: Implications for Afghanistan Wheat and Flour Trade" at a conference in Kabul organized by the Global Alliance for Improved Nutrition (GAIN) and MOPH. ATAR also compiled a policy advisory white paper titled "WTO-Consistent Policy Alternatives to Stimulate Afghan Wheat Production and Flour Milling" as part of public outreach to Afghan policymakers at MAIL, MOCI, and private-sector millers and wheat producers.

Component 1: Looking Forward

- Provide support for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws, including organize a meeting with MOPH, MAIL, and other stakeholders to finalize the Food Safety Law; continue working group meetings on the Animal Health and Veterinary Public Health Law; follow up with the Cabinet to ensure the Consumer Protection Law is approved in accordance with WTO requirements; follow up with MOJ to finalize the draft Foreign Trade Law; and work with MOCI to resend the Safeguards Law to MOJ
- Continue supporting development of regulations and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue support for applying to intellectual property conventions
- Launch development of general equilibrium model with TPAU
- Continue to provide assistance as requested by ACD on the customs valuation issues

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan.

1. Afghanistan

Global Supply Chain Forum: On October 13, ATAR held a Global Supply Chain Forum in partnership with MOCI and EPAA for 80 participants from the private sector. Participants discussed opportunities and challenges in getting Afghanistan's high-quality products such as fruit, marble, and gemstones through the global supply chain – from the supplier to overseas markets including India, the United Arab Emirates, and the European Union.

Private-sector representatives from Air India and Berouge Paints and officials from USAID projects including ATAR, Financial Access for Investing in the Development of Afghanistan (FAIDA), and the Commercial Horticulture and Agricultural Program (CHAMP) gave presentations on resources available to the private sector, market opportunities, and best practices in global supply chain management.



ATAR presented at the Central Asian Trade Forum (left) and arranged a tour of a flour mill for Afghan participants (right).

MOCI's Director General of International Trade spoke at the Global Supply Chain Forum organized by ATAR, MOCI, and EPAA.

Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting, which is expected to be held in the first week of December in Kabul. APTTCA oversees implementation of the Afghanistan Pakistan Transit Trade Agreement (APTTA).

Modalities with Pakistan: On October 24, ATAR held a meeting with ACD's new Director of Field Operations to update him on the modalities that ATAR developed regarding establishment of Afghan customs offices at Pakistani seaports and One Stop Border Posts at border crossing posts with Pakistan. The following day, ATAR conducted a presentation on both modalities for the new Director and re-submitted all related documents.

National Export Strategy: ATAR continued support to MOCI and EPAA on the development of the "National Export Strategy of Afghanistan." The document details actions Afghanistan should take to significantly increase exports over the next decade. The document includes 15 areas that range from removing administrative barriers, infrastructure improvement priorities, export promotion, and women in trade. Various ministries and private-sector associations helped to contribute to the document. EPAA is currently reviewing the first draft of the strategy.

2. Kyrgyz Republic

CBTA: ATAR continued to follow up with the Kyrgyzstan's Ministry of Transport on the status of Afghanistan's protocol of accession to the Cross Border Transport Agreement-Corridor 5 (CBTA-5)

Comment ["]: Could you provide more information?

between Afghanistan, Tajikistan, and Kyrgyzstan. According to the Ministry of Transport, an interagency meeting will be conducted in November to resolve disagreements between agencies on the text of the protocol.

WTO TFA: ATAR supported the WTO Trade Facilitation Agreement (TFA) working group in drafting an action plan for implementation of the WTO TFA in Kyrgyzstan. The draft is expected to be presented to the Ministry of Economy in November.

Customs Consultative Council: On October 1, ATAR helped to conduct the Customs Consultative Council, which brings together Kyrgyz businesses and Kyrgyz customs officials. The business community raised the issue of security of customs payments, saying the amount was too high and should be decreased. Kyrgyz Customs suggested drafting a letter to the government. Following the meeting, ATAR supported the business community in drafting a letter requesting amendments to the Customs Code to reduce the amount of security.

4. Tajikistan

Customs support: ATAR expanded upon a model concept for an authorized economic operator (AEO) program for Tajikistan by providing additional examples of best practice models used by other customs administrations.

ATAR also completed a proposal regarding the issuance of customs advance rulings. ATAR noted that Tajik Customs has the legal capacity to issue advance rulings in respect of tariff classification and preference of origin questions, but it is not offering this facilitative service to the private sector. ATAR will present this proposal to the Tajik Customs for consideration once a decision has been made by the Tajik government regarding the tariff classification codes they will adopt in the near future.

Following the government's decision to achieve compliance with the WCO's Revised Kyoto Convention (RKC) that was ratified in early October, ATAR worked with GIZ and Tajik Customs to prepare an action plan for the development of outstanding customs regulations. The three parties met in late October to discuss plans for the delivery of awareness seminars on RKC standards and recommendations to customs and private-sector audiences.

In support of a joint ATAR/GIZ proposal to improve the integrated border management model known as "one stop" implemented by Tajik Customs, ATAR drafted a memorandum of understanding (MOU) between the Tajik Customs Service and the Tajik Border Police. The MOU covers mutual understanding, cooperation with suspected border transgressions, and sharing of information, equipment, facilities, training, and technical expertise. ATAR presented the draft MOU to Tajik Customs during a meeting to discuss the continuing review of its integrated border management model.

Support to the Ministry of Economic Development and Trade: ATAR participated in a quarterly meeting of the working group on WTO obligations of Tajikistan. ATAR focused attention on activities in the action plan that address the problems of transport and transit through Uzbekistan, Afghanistan, and the Karamyk

Comment ["]: Will the draft be shared it USAID?

Comment ["]: What does this mean i.e. what was done?

Comment ["]: When will it be signed and implemented?

border with the Kyrgyz Republic and on the visa regime, visa fees, registration fees, and registration of cars for foreigners. These activities are critical to the successful implementation of cross-border trade and transit agreements such as the CBTA-5 and the proposed Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA).

5. Turkmenistan

Private-sector meeting: On October 9, ATAR met with the operation manager of Muntaz Petroleum Company, which operates in Turkmenistan, Afghanistan and other Central Asian countries. ATAR discussed possible logistical support in delivering fruit and vegetables to Turkmenistan for Afghan exporters working with USAID's RAPP-W and in delivering paint to the Turkmen market for Berouge Paints in Afghanistan.

New customs duties: On October 20-21, ATAR visited the Turkmenistan State Customs office in Ashgabat to clarify new customs duties imposed on several imported products. The Turkmen government increased customs duties significantly on six categories of imported products with the aim of protecting local producers.

6. **Uzbekistan**

Central Asian Trade Forum (CATF): ATAR sponsored the participation of a representative from the Uzbek Customs Committee in CATF.

Risk management software: ATAR continued trying to reach responsible Uzbek officials to seek clarifications on their needs following a meeting with USAID/Almaty. During that meeting, Uzbek customs expressed appreciation for the May 2015 training provided by ATAR on risk management and AEO and wanted to know if ATAR could support with respect to risk management software.

Customs training: ATAR continued preparation of proposals for training Uzbek customs on post-clearance. Once finalized, these proposals will be submitted through official letter for consideration by the authorities.

Trade route study: ATAR continued the trade route mapping study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. The study will support the promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan.

Comment ["]: Do we expect that Uzbekistan will implement PCA, if so when?

Comment ["]: Did the previous study 'CAR-SA comparative trade study' have any tangible result.

Component 2: Looking Forward

- Continue to support PATTTA
- Continue development and finalization of modalities for Afghan customs at Karachi; transshipping in Peshawar; and a single border stop at crossing point Afghanistan-Pakistan
- Continue work related to advancing the ratification in the Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Support the Tajikistan State Customs Service for awareness and development of an AEO program
- Facilitate development of an MOU on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed on a protocol signed during the Modern Trade and Transport Workshop
- Support Tajikistan Customs on the national strategy for integrated border management
- Support implementation of trade facilitation provisions in Kyrgyz Republic, including AEO
- Continue promoting regional trade and customs initiatives with Central Asia Republics
- Deliver a training to trainers on WTO Customs Valuation Agreement for Tajik Customs officials
- Continue work on assessing trade routes from Tashkent to Delhi and Arabian Sea

Comment ["]: How?

Comment ["]: How will this be accomplished?

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

ACD compliance strategy: ACD continue to review the ATAR documents on the Internal Audit Unit and Professional Standards Unit. In October, ATAR met with ACD's Director Support and Development to discuss the project's Year 3 work plan, which includes both initiatives in support of organizational compliance. ACD agreed on the inclusion of these initiatives, and it is expected that preparatory work will begin in November.

E-Pay: On October 17, ATAR met with ACD and Da Afghanistan Bank (DAB) to progress the implementation of e-payment of customs duties at Balkh, Hairatan, and Andkhoy. Although ACD and DAB acknowledged there were no technical issues to implement E-Pay in the regions, they raised concerns about a lack of commercial banks present at the border crossing points and inland clearance depots. However, it was noted that most traders already had bank accounts, and those who did not could pay in cash at any commercial bank without having an account.

ATAR advised that consideration must be given to fully automating E-Pay through the implementation of a software "patch" to allow connectivity between the DAB and ACD systems. All parties agreed and are

committed to working together to confirm technical details. ATAR reiterated that this should be completed as soon as possible so that provisions can be made to cover the costs of the required software upgrade.

On October 26, USAID held an "Electronic Money Summit" attended by high-level representatives from the Ministries of Commerce and Industries, Communication and Information Technology, Finance, Education, Justice, Labor, Social Affairs, Martyrs and Disabled. Other participants included USAID-funded projects and DAB. During the meeting, ACD's Director General said that ACD and DAB would next implement E-Pay at Mazar, Hairatan, and Andkhoy.

Risk management: ATAR met with the ATAR's new Director of Enforcement several times and provided updates and guidance on risk management, the national anti-smuggling hotline, professional standards, internal audit, and intelligence. ACD's new Director of Enforcement expressed his desire to work with ATAR on key activities and recognized the need to accelerate the speed of reforms in enforcement.

Following these discussions with ATAR, the Director implemented the requirement for all enforcement staff to use officially issued pocket notebooks to record daily activities and interactions with the public; approached the Minister of Finance about obtaining a toll-free number for the national anti-smuggling hotline; started dialogue with partner agencies to move forward with data-sharing agreements; requested regular reports from ASYCUDA in support of risk management activities; and discussed mechanisms for moving forward with the Professional Standards Unit policy with the Minister of Finance.

Streamlined customs procedures: ATAR regional specialists continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures, which contains thirteen steps.

ATAR continued to report on the status of streamlined procedure compliance at Inland Clearance Depots (ICDs). The latest status report highlights that all ICDs have introduced additional steps. ATAR continued to work with ACD regional directors to review additional steps to determine whether they should be removed or not. To assist in this matter, the Director General told ATAR that he has reiterated to all regional directors that the original streamlined procedures decree must be adhered to. ATAR will monitor and report directly to the Director General if additional steps continue.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	2	2
New steps introduced	4	1	5	3	7
Total additional steps	5	7	6	5	9
TOTAL	**18**	**20**	**19**	**18**	**22**

In addition, ATAR monitored the release times of consignments allocated to either the green (release), yellow (documentary check), and red lane (examination). The latest release times are below.

	Green	Yellow	Red
Herat ICD	55 minutes	1 hour 40 minutes	2 hour 30 minutes
HKIA	N/A	N/A	N/A
Jalalabad ICD	58 minutes	1 hour 12 minutes	1 hour 35 minutes
Balkh ICD	1 hour 10 minutes	1 hour 30 minutes	2 hours
Aquina ICD	50 minutes	1 hour 30 minutes	2 hours
Shir Khan Bandar	40 minutes	1 hour 10 minutes	1 hour 40 minutes

ANCA support: ATAR continued to support the Afghanistan National Customs Academy (ANCA) by developing training modules and progressing the implementation of an SOP for the academy.

ANCA reviewed the SOP developed by ATAR and agreed on the document, which has been submitted to the Director General and Director Support and Development for final approval and implementation. In addition, ATAR completed the ANCA curriculum and the development of seventeen training modules with trainers' notes. The length of courses ranges from one day to four weeks.

Post clearance audit: ATAR continued to support the development of ACD's Post Clearance Audit (PCA) Department through a series of workshops and training courses as part of an ongoing capacity building program.

This phase of the program targeted the members of the existing PCA working group, which were selected by ACD and are expected to be the core resource for implementing the new areas of responsibility of the PCA Unit.

On October 12-14, ATAR held the first workshop for five members of the PCA working group. The workshop covered a review of the draft PCA policy and procedural documents and included discussions regarding constraints to implementation.

On October 17-21, ATAR held five-day training course for six participants – the PCA Working Group members and an employee of ACD's Legislative Department – on international best practices underpinning modern customs audit and the methodology that is linked to the new working documents.

On October 25-28, ATAR held a workshop on planning skills for the six participants, which is a core skills requirement for audit, and provided an overview of the objectives and responsibilities at all levels (strategic, operational, tactical) as well as a suggested planning approach for audit.

Transit/TIR: ATAR continued to support ACD in furthering implementation of the TIR Convention, which is a customs transit system that simplifies the movement of cargoes across at least one international border.

Comment ["]: In future reports could you include the release times of the last 12 months in this table?

Comment ["]: What courses and how many trainees?

Comment ["]: Is training the appropriate solution given that implementation of PCA is currently done incorrectly?

On October 14, ATAR facilitated a TIR Awareness and Promotion Workshop for 68 transport operators, freight forwarders, and government representatives. Speakers included ACD's new Director General as well as representatives of ACCI and the Ministry of Transport and Civil Aviation. The workshop aimed to raised awareness of TIR and enable dialogue between the participants and government officials.



ATAR delivered a TIR "train-the-trainers" workshop for customs officers.

ACD's newly appointed Director General addressed participants at the TIR Awareness and Promotion Workshop.

Component 3: Looking Forward

- Continue to support ANCA in implementing the SOP
- Continue implementation of the enforcement plan
- Identifying opportunities for streamlining import procedures, improving risk management operations, and gaps in training skills
- Discuss with ACD the timeline and activities for the implementation of an Internal Audit Unit and Professional Standards Unit
- Support development of professional PCA functions
- Continue with PCA working group meetings and risk management working group meetings
- Continue to support ACD in the development of TIR

ATAR ROLLING CALENDAR OF KEY EVENTS

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
November 11	**Afghanistan's Fifth Working Party Meeting**	**Afghan government officials, ATAR**	**Geneva, Switzerland**	**C1**
November 14-17	India International Trade Fair	Afghan and Indian traders, FICCI	New Delhi, India	C2
December 7-8	**SARSO Sectoral Technical Committee on Electrical, Electronics, Telecom, and IT**	**SARSO members**	**Kabul, Afghanistan**	**C2**
December 5-13	International Craft Selling Exhibition	EPAA	L' Artigiana Fiera Italy	C2
December 15-18	**WTO 10th Ministerial Conference**	**WTO observers and members**	**Nairobi, Kenya**	**C1**

* Bold items indicate the possible presence of high-level officials.

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USAID AFGHANISTAN TRADE AND REVENUE (ATAR) PROJECT

Looking Back: Monthly Report (January 1 – 31, 2014)
Looking Forward: Future Activities Report (February 1 – 15, 2014)

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

1. WTO Accession Process

Supported finalization of WTO bilateral agreements: With ATAR support, Afghanistan took a large step toward accession to the World Trade Organization (WTO) in January by concluding bilateral negotiations with the United States on market access for U.S. goods and services entering Afghanistan.

In the first half of January, ATAR supported Afghanistan in finalizing aspects of the negotiations, including acceptance of Initial Negotiation Rights (INR) for 97 agricultural items proposed by the United



Deputy Assistant U.S. Trade Representative for South and Central Asia Mara Burr and Afghanistan's Deputy Minister of Commerce and Industries Mozammil Shinwari signed the protocol on market access for U.S. goods and services. USAID/Afghanistan Mission Director William Hammink and U.S. Embassy/Kabul Coordinating Director Dr. S. Ken Yamashita watched.

States, acceptance of two additional items under the Information Technology Agreement (ITA), and updating the ITA schedule. ATAR further assisted MOCI in providing clarifications to resolve issues related to Trade-Related Investment Measures (TRIMS), particularly those concerning procurement of services by contractors under the 2009 hydrocarbon law and by license holders under the 2009 mineral law and the draft mineral law.

On January 19, Afghanistan and the United States signed the protocol on market access on goods and services at MOCI. "When Afghanistan becomes a WTO member, the international trade community will gain more confidence as Afghanistan will have committed to international rules of trade," said MOCI Deputy Minister Mozammil Shinwari during the signing ceremony. Local media covered the event.

Throughout January, ATAR also supported the Afghan government in resolving outstanding issues regarding bilateral negotiations with Turkey. Afghanistan and Turkey will schedule a ceremony in Turkey to sign the agreement. Afghanistan will sign bilateral protocols with the European Union (EU), Korea, and Chinese Taipei in Geneva, Switzerland, in the first half of February.

To accelerate the process of consolidating the market access offer on goods, the WTO Secretariat requested Afghanistan submit the bilateral schedules on goods with the EU, Korea, Chinese Taipei, and Turkey electronically. During the second half of January, ATAR assisted in verification of these schedules prior to sending to WTO. Afghanistan is expected to sign its bilateral protocols with these countries during February 5-10 in Geneva.

Provided support in obtaining no-objection letters: In the first half of January, two countries gave positive replies regarding a no-objection to a Most Favored Nation (MFN) exemption for Afghanistan in the area of audio-visual services, which includes motion picture and video production and radio and television services. In December, ATAR had guided MOCI in preparing and sending a request to Japan and Canada for a letter of no-objection to the MFN exemption. Last August, the United States and the EU agreed to grant Afghanistan an exemption to MFN status in audio-visual services. As a result, Afghanistan required a letter of no-objection to an MFN exemption from Japan and Canada, both of which signed bilateral protocols and concluded service negotiations with Afghanistan prior to August. An MFN exemption can permit more favorable trade treatment to be given to the country to which the exemption applies than is given to all other WTO members.

Translated accession package into Dari: In the first half of January, ATAR completed translation of Afghanistan's consolidated schedule of specific commitments on services. This constitutes one of the four elements of the WTO accession package – the other three being the schedule of concessions and commitments on goods, the draft Working Party Report, and the protocol of accession.

In January, ATAR also began updating the Dari version of the draft Working Party Report using the most recent English version of the draft report dated October 29. This is being prepared in anticipation of the Council of Ministers' adoption of the accession package following a final Working Party meeting in early March.[1]

2. Legislative Reforms for WTO Conformity

[1] This is pending adoption of about 10 pieces of legislation by late February and agreement by consensus among Working Party members to allow Afghanistan to adopt remaining drafts by the end of 2014.

Afghanistan must bring a number of trade-related laws to international standards to join the WTO. Although concessions are made for least-developed countries such as Afghanistan, WTO members expect full compliance before accession in major legal areas related to trade policy. ATAR is working with GIROA to reform and implement these laws – a lengthy, complex process outlined in the below chart.[2]



The table below provides the status of WTO-related legislative actions at the end of January. ATAR's active areas of support during this reporting period are highlighted in light blue in the table.

[2] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

No.	Legislation	Responsible Authority	Status
1.	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD)	In the first half of January, the relevant MOJ legislative department completed review of all 208 articles of the amended law and submitted the draft to the MOJ Executive Board.[3] In the second half of January, ATAR assisted the Executive Board to complete the review of the customs law. MOJ will conduct the standard consultation meeting with all relevant ministries and private-sector representatives in February. Several amendments proposed by the Executive Board remain under discussion as they may not be compliant with WTO.
2.[4]	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
3.	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
4.	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA)	In the first part of January, ATAR received initial comments and suggested revisions to the draft from the ANSA Management Board. In the latter half of January, ATAR reviewed the comments and suggested revisions. ATAR expects the ANSA Management Board will complete its review of the law by the end of February. To date, the Management Board has reviewed and approved 22 articles of 32.
5.	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation, and Livestock (MAIL)	In early January, ATAR assisted MOJ in its final approval of the draft law. MOJ submitted the draft to the Council of Ministers on January 6. In the second half of January, ATAR assisted MOCI in preparing a letter to MOJ, Council of Ministers, and National Assembly to introduce a few changes to ensure compliance with WTO.
6.	Law on Animal Health and Veterinary Public	MAIL	In the first half of January, ATAR completed an article-by-article review with the MAIL legal advisor. The draft was submitted to the MAIL Policy and Legal Analysis Department (PALAD) for final confirmation before submission to the minister. Following revisions requested by PALAD, ATAR

[3] The MOJ Executive Board is the last step before submission of the draft to the Council of Ministers.
[4] Procedures do not require Council of Ministers or Parliament approval and need only be approved by the Minister. Regulations require MOJ review followed by adoption by the Council of Ministers.

No.	Legislation	Responsible Authority	Status
			conducted a second review of the draft and supported the addition of a clause to ensure compliance with WTO and other requirements. During the second half of January, ATAR continued assisting PALAD and the legal advisors to the Minister of Agriculture, Irrigation, and Livestock to complete review of the law. ATAR expects this review will be finished by mid-February.
7.	Law on Food Safety	Ministry of Public Health (MOPH)	The draft is at MOJ awaiting review by the relevant legislative department. MOPH agreed to proceed with the version reviewed by WTO. ATAR, in cooperation with MOPH and consultation with MOJ, assisted in fine-tuning the Dari version. ATAR met with MOJ in late January to discuss considering the draft as part of this year's legislative agenda and to encourage that the draft be presented to Parliament this year.
8.	Procedure Customs Control of Intellectual Property Rights (IPR) (Intellectual Property Border Enforcement)	ACD	In the first half of January, ATAR held four meetings at ACD to finalize English and Dari versions of the draft procedure. Following agreed technical modifications, the final Dari draft, including official ACD seal and signature pages, is awaiting ACD approval.
9.	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI	In the first half of January, the relevant MOJ legislative department completed its review. Comments from the department resulted in three meetings with ATAR, in particular to discuss Dari translations of key terms. The draft was submitted to the Executive Board, which began its review in the second half of January. ATAR began assisting in bringing certain WTO-inconsistent modifications inserted by the Board into compliance with WTO.
10.	Amendments to the Law on Trade Marks of 1 September 2009	MOCI	The draft is at the Council of Ministers, which has not yet reviewed the draft.
11.	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC)	In the second half of January, the relevant MOJ legislative department said it intends to reconsider certain aspects of this draft prior to submission to the Executive Board.
12.	Law on Geographical Indications	MOCI	The relevant MOJ legislative department completed its review. In the second half of January, the department submitted the draft to the Executive Board. ATAR assisted the Executive Board to complete reviewing the law. MOJ will next conduct the standard consultation meeting with relevant stakeholders. After this step, the MOJ will submit the draft law to the Council of Ministers.

No.	Legislation	Responsible Authority	Status
13.	Law on Industrial Designs	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
14.	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.
15.	Law on Trade Secrets (undisclosed information)	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
16.	Law on Topography of Integrated Circuits	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
17.	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	The relevant MOJ legislative department completed its review, and the draft law is awaiting submission to the MOJ Executive Board.
18.	Law on Plant Variety Protection	MAIL	In the second half of January, ATAR held discussions at MAIL to reactivate work on the law. The preliminary draft in Dari and English was submitted to the MAIL Deputy Minister per his request. ATAR will follow up on establishing the necessary working group to finalize the draft.
19.	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ	The draft is at MOJ under review by the relevant legislative department.
20.	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ	The draft is at MOJ under review by the relevant legislative department.
21.	Law on Foreign Trade in Goods	MOCI	The draft is at MOJ under review by the relevant legislative department.
22.	Regulations on Import and Export Licensing	MOCI	The draft is finalized at MOCI and ready for submission to MOJ.
23.	Procedure on Customs Storage Fees	ACD	The draft was finalized by ACD and is ready for submission to the Minister of Finance for signature. In the second half of January, ATAR followed up with ACD on the need to adopt this procedure as soon as possible before the next Working Party meeting.
24.	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	In December, ATAR assisted in preparation of an initial draft to amend the 2007 regulations for conformity with WTO rules. In the second half of January, ATAR held a meeting with the head of MOPH's pharmacy department to discuss the draft. He agreed with proposed amendments.
25.	Value Added Tax	Ministry of Finance (MOF)	The draft is at Parliament.

No.	Legislation	Responsible Authority	Status
26.	Income Tax Law (concerning unequal treatment of import tax)	MOF	The draft is at MOF. ATAR met with the Afghanistan Revenue Department (ARD) Director General and ACD Director General in the first part of January to discuss the draft. The ARD Director General indicated the draft was finalized and submitted to MOJ in the latter half of January. MOJ has not yet confirmed the receipt of this draft.
27.	Law on Minerals	Ministry of Mines and Petroleum	The draft is at Parliament.
28.	Law on Safeguards Measures for Domestic Protection	MOCI	The draft is awaiting review by the relevant MOJ legislative department.

Encouraged addition of WTO-related laws to the MOJ legislative agenda: During the second half of January, ATAR began a series of meetings with WTO-related ministries and agencies to encourage all WTO-related legislative items not on the current 1392 MOJ legislative agenda be formally added to the 1393 agenda.[5]

ATAR's efforts were in response to MOJ's annual letter in January to ministries and government agencies requesting them to indicate in writing their priority legislative items to be added to the MOJ legislative agenda for 1393. ATAR began following up with all key WTO-related ministries and agencies including MAIL, MOPH, MOCI, and ANSA.

Among others, ATAR held a meeting with the MAIL Deputy Minister, who agreed to submit MAIL's list in response to MOJ's letter. ATAR also held two meetings with MOCI's International Trade Department to discuss WTO-related laws and regulations for the 1393 legislative plan. MOCI agreed to include the six remaining WTO laws it sponsored or initiated in its formal response to MOJ. ANSA likewise agreed to include the standards law and submitted its written response to MOJ. ATAR will continue its consultations and follow up with ministries and agencies to support the inclusion of all remaining WTO laws on the 1393 agenda.

Established ATAR permanent office at MOJ: During the second half of January, ATAR completed the set-up of a permanent office at MOJ to provide constant on-site assistance to the ministry on ongoing WTO legislation. The office has a capacity of six staff, and ATAR has embedded experts on a daily basis to provide consistent and rapid turnaround to MOJ queries and comments on draft legislation.

[5] The solar year 1392 corresponds to the period from March 21, 2013, through March 20, 2014 in the Gregorian calendar. The solar year 1393 corresponds to the period from March 21, 2014, through March 20, 2015, in the Gregorian calendar.

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Assisted in development of procedures/regulations for WTO laws: Throughout January, ATAR supported the process of assisting in the development of regulations and procedures to implement WTO-related laws.

By the end of January, ATAR completed the preparation of nine draft model regulations and procedures for implementing the food safety law and continued work on developing model implementing regulations and procedures for the law on animal health and veterinary public health. As requested by MAIL, ATAR also continued review of draft regulations for implementing the draft plant protection and quarantine law to ensure conformity with WTO, the International Plant Protection Convention, and best practices.

During the second half of January, ATAR met with MOPH and agreed on launching the process of forming working groups to prepare draft regulations or procedures regarding the food law. MOPH also agreed to organize seminars on relevant standards in support of the food law.

In the second half of January, ATAR also began preparing materials to train judges and lawyers on the implementation of copyrights. ATAR prepared a draft presentation and text for a pamphlet as part of a package of copyright awareness materials.

Provided technical support for customs valuation implementation: Throughout January, ATAR worked with ACD to resolve issues concerning customs valuation and migration to the new Automated System for Customs Data (ASYCUDA) World valuation module.

ATAR continued to press ACD to activate ASYCUDA World and supported the preparation of a preliminary procedure for transferring data from the Tariff and Valuation Management Tool (TARVAL) database. TARVAL is a customs valuation database established under USAID's Trade Accession and Facilitation for Afghanistan (TAFA) projects to generate compatible information for ASYCUDA with more security, transparent and auditable processes, and stored historical data.

During the second half of January, ATAR participated in a coordination meeting on ASYCUDA World at ACD. ATAR raised management and technical issues that need to be addressed to support implementation of the ASYCUDA World valuation module. Participants, which included United Nations Office for Project Services (UNOPS) and ACD officials, agreed with ATAR's preliminary recommendations and promised to support the valuation department in addressing the issues.

Under ATAR's guidance, ACD's valuation department worked throughout January to format data according to the ASYCUDA World valuation module and prepare for migration. In the second half of January, ATAR reviewed draft standard operating procedures prepared by ACD regarding activation of the valuation module. ACD accepted ATAR's comments and recommendations.

4. Capacity and Sustainability of the Afghan National Standards Authority

Furthered ANSA planning: Throughout January, ATAR provided guidance and planning assistance to further the development of ANSA.

In the first half of January, ATAR completed the first review with ANSA's standards development director of the "Code of Good Practice for the Preparation, Adoption and Application of Technical Standards" to comply with WTO requirements. ANSA will submit the code to the ANSA Management Board for the final review.

In addition, ATAR supported ANSA in assessing the prospects for setting up Afghanistan's first certification unit, establishing a standards training center, developing a database of standards and technical regulations, building awareness and capacity related to standards for the private sector, and developing a financial sustainability plan for ANSA.

In the second half of January, ATAR worked with ANSA in preparing a draft list, prioritizing the list, and purchasing 28 international standards, such as conformity assessment and management systems standards, from the International Organization for Standardization and British Standards Institute. ANSA will adopt these important international standards as national standards for Afghanistan. In addition, these international standards will help ANSA in establishment of the certification unit and training center and in launching public awareness campaigns.

5. Building Capacity

Built capacity at the TPAU and WTO unit: Throughout January, ATAR trained MOCI's Trade Policy Analysis Unit (TPAU) and MOCI's WTO unit to build their capacity and support sustainability.

ATAR held four trainings in the first half of January. ATAR provided the first training with TPAU and WTO unit staff on "challenges and opportunities to Afghanistan's integration into the regional and multilateral trading system." ATAR delivered a second training to MOCI's TPAU and WTO unit staff on trade policy instruments, such as tariffs, subsidies, and quotas, and trade research tools and included a discussion on the future establishment of the safeguards unit in MOCI. ATAR conducted a third training at TPAU, with other senior MOCI participants, on research of domestic prices of vegetables. Finally, ATAR provided a fourth training to the TPAU on the collection of trade data for analysis.

In the second half of January, ATAR conducted a series of trainings on the application of key economic concepts and methodologies related to trade and statistics. The training included factors in determining goods that are to be considered "sensitive goods" in terms of tariff policy and regional trade negotiations. Such factors include whether or not there is an existing domestic industry in Afghanistan in need of protection, or the possibility of infant, or nascent, industries developing if some level of tariff protection is provided. The training also included conducting an analysis of regional and global trade statistics to determine in which goods Afghanistan has - or can develop - a competitive advantage. The aim was to equip staff, in particular the TPAU, with appropriate skills to enable government employees to take initiatives on trade and economic analysis and negotiations. TPAU staff and MOCI's WTO unit and regional trade department attended these trainings.

ATAR also continued to advise TPAU on further staffing needs assessment to bring the unit to the appropriate level of capacity toward building technical sustainability. In the second half of January, ATAR guided TPAU staff in developing country profiles of Afghanistan's trade partners to determine relative competitiveness.

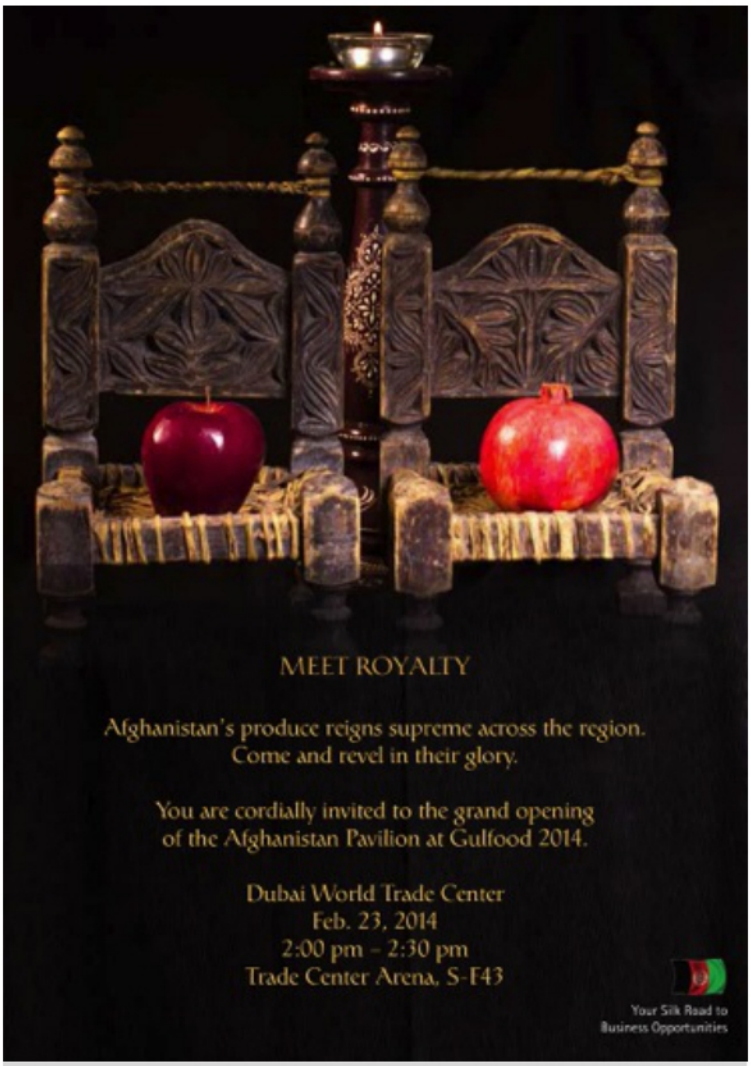
Component 1: Looking Forward

- Support the signing of remaining WTO bilateral protocols with EU, Korea, Turkey, and Chinese Taipei.
- Support the consolidation of the schedule of concessions and commitments on goods.
- Follow up with relevant ministries regarding MOJ legislative agenda for 1393.
- Continue support to advancing WTO-related draft legislation, regulations, and procedures, particularly regarding customs, copyrights, patents, geographical indications, food, veterinary health, standards, fees for import of medicines, intellectual property border enforcement, customs storage fees, and plant variety.
- Complete development of training materials to build the capacity of judges and lawyers on copyrights enforcement.
- Complete development of training materials on food safety standards.
- Form a working group for drafting regulations/procedures related to the food safety law
- Plan a "train the trainers" program for customs valuation and provided hands-on training to the ACD valuation department on management of tariff specification codes.
- Continue to provide on-the-job support to the ACD valuation department in adapting TARVAL to ASYCUDA World.
- Continue to provide on-the-job training to TPAU and guide the TPAU in developing country profiles of Afghanistan's trade partners to determine relative competitiveness.
- Deliver a WTO presentation for MOJ staff in partnership with USAID.

COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. Afghanistan

Prepared for Afghanistan's participation in Gulfood: ATAR began partnering with USAID's Financial



ATAR began drafting marketing materials, including this grand opening invitation, for Afghanistan's participation in Gulfood 2014 in Dubai.

Access for Investing in the Development of Afghanistan (FAIDA) project and USAID's Commercial Horticulture and Agriculture Marketing Program (CHAMP) to support Afghanistan's participation in Gulfood 2014 in Dubai.

In the second half of January, each project identified about eight traders of fresh fruit, dried fruit and nuts, and saffron. About half of the traders are women.

Gulfood will be held from Feb. 23 through Feb. 27 and is one of the largest food exhibitions in the world. USAID has supported Afghanistan's participation in past Gulfood events, and the traders have signed millions of dollars in deals. The three projects began drafting marketing materials for the event, including invitations to the grand opening of Afghanistan's booth and a general invitation to visit the booth through the event.

Supported preparations for SAARC meeting: In the first half of January, ATAR held three meetings with MOCI to assist in preparing the ministry for the South Asian Association of Regional Cooperation (SAARC) meeting held on January 16-17 in New Delhi, India.

ATAR assisted in drafting talking points for the Deputy Minister of Commerce and Industries and the Afghan delegation for the SAARC meeting. ATAR also began assisting in the preparation of technical documentation – focused on rules of origin and sensitive lists of goods and services – for the SAARC meeting to be held in Kathmandu, Nepal, in February.

Assisted in preparing draft agreement with Azerbaijan: At the request of MOCI, ATAR assisted in the first half of January in preparing a draft bilateral agreement on trade and transit with Azerbaijan. Azerbaijan is situated on one of the most viable transit routes linking Afghanistan with Europe and the Mediterranean basin.

Furthered Afghanistan's CBTA/Corridor 5 protocol of accession: After multiple meetings with ATAR in January, MOFA agreed to send to the Kyrgyz Republic the original signed protocol of accession of Afghanistan to the Cross Border Transport of Persons, Vehicles, and Goods Agreement (CBTA)/Corridor 5. MOFA also prepared a draft letter to submit the CBTA 5 accession protocol to the Council of Ministers before mid-February for approval and further submission to the National Assembly for ratification.

In December 2013, Afghanistan had re-signed the protocol of accession of Afghanistan to the CBTA. Afghanistan had signed the agreement in late 2011, but there had been discrepancies between the English and Russian versions and minor changes that required all three contracting parties (Afghanistan, the Kyrgyz Republic, and Tajikistan) to sign a new document.

Afghanistan, however, returned to the Kyrgyz Republic a copy of the signed protocol instead of the original. The original must be kept with the MOFA of the Kyrgyz Republic, since it is designated as the repository of the agreement. In addition, the original needs to be returned to the Kyrgyz Republic for the ratification process to be launched.

The CBTA aims to facilitate movement of goods, vehicles, and people along Corridor 5 of CAREC, which promotes cooperation and development in Central Asia. The agreement will automatically eliminate a number of barriers, including transshipment for movement of trucks across borders.

Provided support to EPAA: ATAR worked with the Export Promotion Agency of Afghanistan (EPAA) in January to complete the first draft of its export promotion plan for 2014 and began activities to enable the organization to better help Afghan exporters.

ATAR developed 350 slides of materials to train EPAA trainers in April. ATAR also facilitated dialogue between EPAA and potential partners in Italy with respect to securing sponsorships for a pavilion at the Milano World Fair 2015. ATAR also helped EPAA act as an intermediary between Italian cashmere buyers looking for Afghan sellers; EPAA provided a list of 11 cashmere producers. The Italian companies will be visiting Kabul and Herat in the second week of February. In addition, ATAR helped EPAA in completing a cost-competitive analysis for the Afghan almond sector.

2. Kyrgyzstan

Coordinated with USAID's REFORMA: In the first half of January, ATAR met with USAID's REFORMA project in the Kyrgyz Republic to discuss possible areas of coordination. REFORMA, which is scheduled to end in September 2014, focuses on improvement of the business environment, specifically in the mining sector.

ATAR and REFORMA identified a joint study tour to the Kyrgyz Republic for Afghan officials as one potential area for coordination. REFORMA is working on tax issues, and the Kyrgyz Republic has experience in introducing and implementing the value added tax (VAT) system.

Coordinated with ADB: During the second half of January, ATAR coordinated with Asian Development Bank (ADB) in Bishkek to discuss ATAR and ADB activities in the region and possible coordination. ADB is launching four new technical assistance projects, each about $1.5 million with two-year implementation periods, in Central Asia.

Discussed needs in quality management infrastructure: In the second half of January, ATAR discussed technical assistance needs in quality management infrastructure with the head of the Kyrgyz government's technical regulation and metrology department.

This area of assistance was proposed by the USAID Kyrgyz Republic Mission as one of ATAR's potential activities in the country. The counterpart highlighted priorities, including assessments of laboratories for the textile sector, veterinary labs, and development of testing services to support the agriculture sector and agriculture processing industries.

3. Tajikistan

Coordinated with TCCI: In the first half of January, the Tajikistan Chamber of Commerce and Industry (TCCI) gave ATAR its informal support to establish a Joint Business Council (JBC) between Afghanistan and Tajikistan, and ATAR held discussions with TCCI to update a memorandum of understanding regarding the council. During the second half of January, TCCI appointed a point of contact for the JBC, ad the Afghanistan Chamber of Commerce and Industries reciprocated.

ATAR also met with the TCCI in the first part of January to discuss collaboration with ATAR on strengthening ties between the private sectors in Tajikistan and Afghanistan.

Discussed progress on Afghan-Tajik agreements: In the first half of January, ATAR met with the head and deputy head of the International Cooperation Unit for the State Customs Service to discuss progress of the Agreement on Cooperation and Mutual Assistance in Customs Affairs, known as the MAA, between Afghanistan and Tajikistan and the memorandum of understanding (MOU) between the two customs administrations regarding information sharing and joint border controls.

Met with transport companies and customs brokers: In the first half of January, ATAR met with the Association of International Road Carriers of the Republic of Tajikistan (ABBAT) to discuss collaboration with ATAR and to learn about the ABBAT/International Road Transport Union proposal for cross-border transport expansion.

ATAR also met with the Customs Brokers Association in Tajikistan to discuss collaboration with ATAR, learn about issues regarding cross-border trade with Uzbekistan, and identify transport and logistics issues with Afghanistan.

In the second half of January, ATAR met with the Association of Automobile Transport (AIATT) to discuss collaboration with ATAR and to identify transport and logistics issues with Afghanistan.

Delivered Tajik donor presentation: In early January, ATAR delivered a presentation about the project and planned activities in Tajikistan to donors from the following organizations – Embassy of Pakistan, Embassy of Germany, GIZ, World Food Programme, Organization for Security and Cooperation in

Europe, Japan International Cooperation Agency, International Office for Migration, and United Nations Development Programme. Jenna Tajchman and Daler Asrorov of the USAID-Central Asian Republics (CAR) economic growth office facilitated the presentation, and Michael Trueblood of the CAR mission in Almaty provided background on ATAR and other USAID regional projects.

In the second half of January, ATAR also met with the GIZ to discuss collaboration on trade facilitation activities. ATAR was also introduced to ADB representatives in the country by officials from the USAID-CAR economic growth office.

Introduced to Deputy Ministers of Economic Development and Trade: During the second half of January, ATAR was introduced to the two Tajik Deputy Ministers of Economic Development and Trade by representatives of the USAID-CAR economic growth office. The Deputy Ministers welcomed ATAR, committed to facilitating ATAR's work, and invited ATAR to begin collaboration on trade-policy activities once Tajikistan adopts its WTO post-accession plan.

4. Turkmenistan

ATAR largely completed preparations for its ATAR launch visit to Turkmenistan during February 10-14.

5. Uzbekistan

Introduced ATAR to USAID country office: In the first part of January, ATAR delivered a presentation to the USAID Uzbekistan country office about ATAR activities, Central Asian activities, and in Uzbekistan in particular.

Participants included the Ambassador, USAID, the Drug Enforcement Agency, the Defense Logistics Agency, and the political/economic section of USAID's country office. The Ambassador supported ATAR while noting the political sensitivities and difficulties of operating in Uzbekistan.

Conducted ATAR presentation for Uzbek donor community: In early January, ATAR gave a project presentation with a focus on proposed activities in Uzbekistan for donors, including representatives of USAID/Uzbekistan, the United Nations, World Bank, GIZ, and International Finance Corp. Participants shared their views and provided suggestions for possible areas for ATAR assistance in Uzbekistan.

Gave ATAR presentation to business community: In the first half of January, ATAR delivered a presentation on its planned activities for the AmCham Trade and Investment Committee members in Uzbekistan. The Association of International Business and Technology (AMBIT) hosted the meeting.

Most of the participants were international businesses with practical experience in regional trade, including with Afghanistan. They provided useful comments and noted the necessity of activities for expanding trade and economic cooperation with Afghanistan.

6. Region-Wide

Introduced ATAR to the USAID/CAR Mission: ATAR conducted a presentation of its activities in the first half of January to the USAID/CAR Mission. USAID/CAR welcomed ATAR and said it will provide the necessary support for ATAR in the region. Participants expressed their satisfaction that the Almaty Consensus and activities that have been long discussed are beginning

Presented the TAKDEC concept: ATAR presented the concept of the Tajikistan-Afghanistan-Kyrgyz Republic Data Exchange for Customs (TAKDEC) to USAID in Kabul in early January and discussed its adaptability to a regional single window. ATAR also familiarized project staff with TAKDEC and solicited feedback for improvements.

On January 18, ATAR presented the concept of TAKDEC to ACD's information and communications technology unit. The unit agreed to start the implementation of TAKDEC in ACD, and two members of the unit were allocated to the implementation of TAKDEC and worked during the latter half of January on implementation.

Gathered data for trade matrix: Throughout January, ATAR compiled information for the analysis for a CAR illustrative trade issues matrix. This matrix will include Afghanistan, Pakistan, Tajikistan, Uzbekistan, Kyrgyz Republic, and Kazakhstan and will cover topics such as trade policies, cross-border issues, bilateral agreements, and trade disputes among the countries.

Component 2: Looking Forward

- Upon receipt of the diplomatic note by Tajikistan's USAID country office introducing ATAR to authorities, conduct formal meetings with Ministries of Transport and the State Customs Service.
- Finalize analysis of Kyrgyzstan and Tajikistan as part of the illustrative trade matrix.
- Introduce project activities to USAID's country office and the donor community in Turkmenistan.
- Continue consultations with TCCI and ACCI regarding finalization of the draft MOU for the JBC.
- Link TAKDEK with ASYCUDA to test with ASYCUDA data.
- ATAR will convene two roundtables in Dushanbe with the public and private sectors on understanding APTTA and its challenges.
- Upon mobilization of the country representative for Kyrgyzstan, introduce the country representative to USAID Kyrgyzstan and start introductions to the key government and private sector counterparts.
- Meet with the Tajikistan's Deputy Minister of Transport with USAID to introduce ATAR and discuss proposed activities and priorities of the counterpart.
- Meet with Tajikistan's Deputy Chairman of the State Customs Service with USAID to introduce ATAR and discuss proposed activities and priorities of the counterpart.
- Meet with the International Office for Migration's (IOM) Cross Border Assessment project team in Tajikistan to discuss the promotion of trade relations between Tajikistan and Afghanistan.

Customs 3b: Customs Reform

Collaborated on ATAR customs work plan: In the first half of January, ATAR worked with ACD directors to develop the customs component of the ATAR work plan and held numerous meetings and discussions to submit the final draft plan to USAID.

During the second half of January, ATAR developed a six-month work plan for local project staff who will be working in the regions and received permission from ACD to deploy the staff in February. ATAR also recruited a local project staff member to be embedded in ACD's legal department to support in legal and policy issues and to develop a gap analysis and action plan regarding accession to the Revised Kyoto Convention. The female staff member will also support ATAR's gender activities and assist the Border Management Task Force (BMTF) in delivering customs training to women.

In the latter half of January, ATAR and ACD agreed on the terms of reference for a local project staff member to support the Afghanistan National Customs Academy (ANCA). ATAR also researched the requirements for a database to capture training information for ACD, made a presentation to ACD on the database, and began working on proposed technical specifications.

Throughout January, ATAR national staff received training in E-Pay, risk management, and training course development to prepare to implement ATAR's work plan. ATAR also met with the United Nations Office for Project Services (UNOPS) and the BMTF to ensure coordination on activities.

Conducted a review of ACD measures: During the first part of January, ATAR determined the status of various TAFA-supported initiatives considering the gap of about three months between the end of TAFA and start of ATAR.

The ATAR review demonstrated that ACD sustained some initiatives, did not sustain others, did not proceed on some initiatives, and moved forward on others although not necessarily to international standards.

TAFA-Supported Initiatives at ACD	Sustained	Not sustained	Not fully implemented
Customs Streamlined Procedures			✓
Border Management Model	✓		
Customs and Trade Consultative Council	✓		
E-pay			✓
Risk Management			✓
International Agreements			✓
Female Intern Program	✓		

TAFA-Supported Initiatives at ACD	Sustained	Not sustained	Not fully implemented
Biometric Attendance Readers		✓	
Customs Mirror (monthly newsletter)		✓	
ACD website	✓		
National Anti-Smuggling Hotline		✓	
Pocket Notebooks		✓	
National Customs Interception and Seizure (NCIS) database		✓	

ATAR is working to fully institutionalize the initiatives with the cooperation of ACD managers. In the second half of January, ATAR's information technology department began working to operationalize the National Anti-Smuggling Hotline again. ACD nominated two staff members to be trained on the hotline and its maintenance once operational. ATAR will also work to resolve technical issues regarding the NCIS database. ATAR will check the server set-up and establish specific staff responsibilities for NCIS.

During the latter half of January, ATAR obtained access for ACD to the World Customs Organization's Central Enforcement Network (CEN), which offers customs officers representing more than 150 countries access to a database of customs seizures and offences. ATAR also provided ACD with software for the WCO's nCEN system, which mirrors the international CEN and is for national customs intelligence use.

Reviewed customs streamlined procedures and risk management: ATAR completed a review of ACD's implementation of streamlined customs procedures and risk management at three customs locations – the Kabul International Airport (KIA), the Jalalabad Inland Clearance Depot (ICD), and the Kabul ICD.

ATAR will discuss results with ACD's Director General and highlights areas in need of improvement. ATAR will suggest publicizing details of procedures and including them on the ACD website to encourage ACD officers, traders, importers, and brokers to understand procedures and to comply with them.

The table below shows results from a TAFA review of customs procedures in June 2013 and January 2014 and its review of risk management in January 2014. ATAR's review of risk management showed that declarations going through KIA's green lane (no inspection) dropped to 10 percent while declarations through the red lane (physical inspection) and yellow lane (document inspection) rose. This slows trade and wastes staff resources. During the TAFA projects, KIA had an impressive 26 percent of declarations going to the green lane based on risk profiles developed and implemented with TAFA assistance.

ACD Location	TAFA Review of Customs Procedures in June 2013	ATAR Review of Customs Procedures in January 2014	ATAR Review of Risk Management Clearance Selectivity in January 2014
Kabul International Airport	One non-compliant steps	Seven non-compliant steps	RED: 60% YELLOW: 30% GREEN: 10%
Jalalabad ICD*	Seven non-compliant steps	Seven non-compliant steps	RED: 28% YELLOW: 50% GREEN: 22%
Kabul ICD	Five non-compliant steps	Five non-compliant steps	RED: 50 % YELLOW: 20% GREEN: 30%

**ATAR is verifying the Jalalabad selectivity figures, because the project has received conflicting information from ACD and project staff in the region. Jalalabad customs officials reported 28 percent of declarations are going through the red lane, but project staff is reporting 70 percent of declarations are going through the red lane.*

Continued discussions on E-Pay for customs: ATAR met with ACD and Da Afghanistan Bank (DAB) in January regarding the implementation of E-Pay, or the electronic payment of customs duties.

DAB stated it was ready to implement E-Pay and that it was using the system with ARD to collect payments from medium and large taxpayers. However, ACD's Director General requested further discussions take place regarding E-Pay's implementation for customs duties due to ACD's perceived risk of possible revenue loss with the E-Pay process. ATAR had conducted a risk assessment on the E-Pay process and determined that there was minimal risk of revenue loss.

However, ACD said it is not prepared to implement E-Pay based on the processes agreed with DAB, and DAB will not agree to change the agreement as its long-term strategy is to close all offices at customs stations and remove itself from the commercial banking process. ATAR will organize, if possible, a joint discussion between the bank and ACD to try to broker an agreement to move forward.

Plan for capacity building in enforcement and compliance: In the second half of January, ATAR held meetings with ACD's Director of Enforcement and his staff on developing a plan to support enforcement and compliance activities such as intelligence, risk, investigation, and cargo examination.

ATAR developed "train the trainer" material that ACD is reviewing prior to translation. ATAR will train ACD operational staff who will then be supported during course delivery by ATAR. The training will cover 150 ACD staff in Kabul and the regions and will be put on DVD for ANCA's use. Prior to the training, ATAR will consult ANCA and liaise with the BMTF to cover areas of support in their training plans.

Component 3: Looking Forward

- Support ACD in developing a strategy for advancement of risk management.
- Finalize and deliver training on enforcement and compliance to 12 ACD enforcement officers.
- Finalize training courses in intelligence, risk, investigation, cargo examination, and use of notebooks.
- Accompany ACD's Director of Enforcement to review risk management implementation in Jalalabad.
- Work with ACD to resolve problems with the NCIS database and hotline.
- Visit ANCA and establish curriculum requirements and areas of support in line with BMTF's workplan and ACD needs.
- Support ACD in reviewing the requirements for accession to the Revised Kyoto Convention.
- Discuss with ACD the use of biometric attendance registers and the further development of the Customs Mirror.
- Meet with ACD and DAB to further progress on E-Pay.

Rolling Calendar – ATAR Future Activities					
Date	**Event**	**Participants**	**Location**	**Comp-onent**	**Comments**
Feb. 13	Agriculture Implementing Partners Regional Coordination Meeting	USAID; USAID projects CHAMP, AGRED, ABADE, ACE, FAIDA, KFZ, ATAR, and RADP-S; and non-USAID implementers conducting agriculture/agribusiness activities in southern Afghanistan	Kabul	C2	RADP-S is organizing the meeting to introduce the project and facilitate coordination between implementing partners contributing to agricultural and agribusiness development in southern Afghanistan.
Feb. 25-26	International delegation of traders visit to Mazar chamber of commerce and industry	Kazakhstan and Uzbekistan traders, Regional Economic Cooperation (REC) representatives	Mazar	C2	This event is sponsored by the USAID REC project.
Feb. 23	**USAID ATAR Official Project Launch Event**	**GIROA, Afghan private sector, USAID, donors**	**Kabul**	**All ATAR**	
Feb. 23	**Regional Cooperation and Confidence Building Symposium**	**60 participants from Governments (Afghan and Central Asian), businesses, business intermediary organizations (chambers of commerce, industry representatives, etc.), civil society and academia**	**Kabul**	**C2**	**The University of Central Asia in collaboration with MOFA will organize a half-day symposium on trade and cooperation between Afghanistan and Central Asia.**
Feb. 23-27	**Gulfood Exhibition**	**Afghan traders, ATAR, FAIDA, CHAMP**	**Dubai, United Arab Emirates**	**C2**	**ATAR will cost share with FAIDA and CHAMP.**
Late February /Early March	**CAR Roadshow**	**Greg Leon, Farhat Farhat, Rahat Toktonaliev**	**ATAR CAR-presence Countries**	**C2**	
First week of March TBD	**Fourth Working Party Meeting**	**14 Afghan delegates and TAFA advisor, Farhat Farhat**	**Geneva, Switzerland**	**C1**	**Date to be confirmed.**
Early March	Roundtable for Business Enabling Environment	USAID and implementing partners	Kabul	C1/C2	To be facilitated by ATAR team leaders. Date to be confirmed shortly.

TBD	**Inauguration of Benezir Saffron Factory in Herat**	**Governor of Herat, USAID, Benezir CEO, and factory employees ATAR DCOP Qayum Ahadi**	**Herat, Afghanistan**	**N/A**	**On Jan. 20, the Benezir CEO postponed this event. This event resulted from USAID support for participation in Gulfood 2013 provided through the TAFA II project.**
April 14-16 or May 5-7, 2014	**Central Asia Business Opportunities Conference (CABOC)**	**B2B, B2G, and G2G of stakeholders of USAID Pakistan Trade, USAID Regional Economic Cooperation, and USAID Afghanistan Trade and Revenue**	**Islamabad, Pakistan**	**C2**	

- **Bolded items indicate the presence of media or high-level officials.**

ATAR INDICATOR TABLE

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Dec. 2013 Results	Jan. 2014 Results	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade											
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter	GIROA	Annual	$9.3 billion in 1391 excluding transit (Central Statistics Organization (CSO) report)	Will be reported by end of 1392	Will be reported by end of 1392	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit) Calculation: Total value of export, import, and transit in a year
2	Value of gross domestic product (GDP)	Outcome/Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$ 21 billion in 1391(CSO report)	Will be reported by end of 1392	Will be reported by end of 1392	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. **Note**: Based on the CSO report, the total value of Afghanistan GDP in 1391 was 1,085,766 million Afs = $21 billion.
3	Ratio of foreign trade in GDP	Outcome/Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank report)	Will be reported by end of 1392	Will be reported by end of 1392	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Dec. 2013 Results	Jan. 2014 Results	Year 1 Target	Life-of-Project Target	Notes
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500	Will be reported by end of 1392	Will be reported by end of 1392	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.
5	Value of exports	Outcome/Impact	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	Will be reported by end of 1392	Will be reported by end of 1392	Tracking only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** Based on the CSO report, the total value of Afghanistan exports in 1391 (2012 – 2013) was $414.5 million.
6	Value of imports	Outcome/Impact	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	Will be reported by end of 1392	Will be reported by end of 1392	Tracking only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on CSO trade statistic report, the total value of import in 1391 (2012 – 2013) was USD 8.9 billion. The total value of import in 1391 was composed of Petroleum 20%, Machinery and Equipment 15%, Metals 11% and others 54%.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Dec. 2013 Results	Jan. 2014 Results	Year 1 Target	Life-of-Project Target	Notes
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2014)	184	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164 (Doing Business Annual Report 2014)	164	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened											
9	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	1	6 trainings /68 partici-pants (49 male and 19 female), 29 person days of training	20 trainings/ 200 partici-pants	80 trainings/ 800 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator is reported by training type, target group, gender, and person days of training.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Dec. 2013 Results	Jan. 2014 Results	Year 1 Target	Life-of-Project Target	Notes
PIR 1.1: WTO accession process finalized											
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output	Ministry partner	Project records and MOCI	Quarterly	0	0	1	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; and 4) Parliament
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/Impact	Ministry partner	Project records	Quarterly	0	1	0	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR in Afghanistan.
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output	Ministry partner	Project records and MOCI	Quarterly	0	0	1	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level (including by working group) with ATAR support. This mainly refers to the first draft finalized at the Ministerial level.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Dec. 2013 Results	Jan. 2014 Results	Year 1 Target	Life-of-Project Target	Notes
PIR 1.2: WTO implementation process developed and executed											
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	0	0	12	60	A public event is defined as a major ATAR-led and/or supported trade-related activity such as conference, seminar, coordination meeting, working group meeting, trade-related fair, roundtable session, consultative process, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, and other key trade gathering.
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarterly	0	0	0	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation will be captured under this indicator.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Dec. 2013 Results	Jan. 2014 Results	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased											
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	0	0	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator Output	Province	Project records	Quarterly	0	1	0	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Dec. 2013 Results	Jan. 2014 Results	Year 1 Target	Life-of-Project Target	Notes
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/Impact Requested by USAID	Type of firm	ANSA	Annual	0	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased											
18	Change in public perception toward trade	Outcome/Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey	To be determined (TBD) from perception survey	To be determined (TBD) from perception survey	10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted at the start of the project to collect baseline information and annually thereafter targeting the same group.

PIR 2: Regional and global integration enhanced											
19	Number of launched or signed initiatives on regional integration	Output	Type of initiative	Project records and MOCI	Quarterly	0	0	1	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support.
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/gender	Project records and EPAA	Monthly	0	0	0	80	400	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported by end of 1392	Will be reported by end of 1392	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation											
22	Growth in customs revenue (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Per border crossing	ACD	Annual	$894 million in 1391	$640.5 million in first nine months of 1392	$640.5 million in first nine months of 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** Based on an MoF Performance Report, the customs revenue for the first nine months of 1392 is 36.1 billion Afs = $640.5 million
23	Percent increase in tax collection	Outcome/Impact USIAD requested indicator	Revenue source	ACD	Annual	TBD	Will be reported by end of 1392	Will be reported by end of 1392	TBD	TBD	This indicator captures the percentage increase in volume of tax collection in Afghanistan.

24	Percentage of government revenue collection in GDP (excluding foreign grants)	Outcome/Impact Required by Prime Contract	Revenue source	ACD and project records	Annual	5.5% in 1390	Will be reported by end of 1392	Will be reported by end of 1392	Tracking only	Tracking only	Revenue is cash receipts from taxes, social contributions, and other revenue such as fines, fees, rent, and income from property or sales.
25	Non-tax revenue increase	Outcome/Impact Required by Prime Contract	Revenue source	ACD	Annual	TBD	Will be reported by end of 1392	Will be reported by end of 1392	Tracking only	Tracking only	The revenue obtained by the government from sources other than tax is called non-tax revenue. The major sources of non-tax revenue are fees, fines and penalties, surplus from public enterprises, grants, etc.
26	Change in public perceptions toward VAT	Outcome/Impact Required by Prime Contract	Gender, region, age	Survey	Annual	TBD in perception Survey	TBD in per-ception Survey	TBD in per-ception Survey	15% increase	40% increase	ATAR will work with a grantee or subcontractor to develop a VAT campaign for outreach on media issues, testing messages with stakeholders, including business organizations, civil society, and taxpayers, particularly women-owned businesses. ATAR will conduct a perception survey at the start of the project to determine public perception on VAT.
27	Number of permanent professional positions allocated for women within ACD	Outcome/Impact	Gender, age, education level	ACD	Quarterly	77	0	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.

28	Number of female interns completing a six-month internship in ACD	Outcome/Impact	Gender, age, education level	ACD	Quarterly	20	0	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
29	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	0	0	TBD	TBD	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40.
PIR 3.1. Capacity of the Afghan Revenue Department to generate revenue through VAT implementation enhanced											
30	Percent of audit cases selected using risk-based criteria	Outcome/Impact Required by Prime Contract	Province	Large Taxpayer Office (LTO)/ACD records	Quarterly	0	0	0	TBD	TBD	This indicator refers to the proportion of audit cases started in a year that have been selected using prescribed risk-based selection criteria (for example, declared outputs less than declared inputs/ input tax greater than output tax/ tax performance ratio lower than trade sector average).
31	Number of VAT audits conducted	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	0	TBD	TBD	Under this indicator, the project will report the number of VAT audits started and finalized in the year.
32	Share of cases yielding additional assessment (revenue) to cases selected for audit	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	0	TBD	TBD	This indicator captures the proportion of cases selected for audit that have yielded additional revenue assessments (in other words, the auditor has uncovered errors or under-declarations that produce extra tax).

33	Percentage of amount assessed through tax audit which is actually collected	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	0	TBD	TBD	This indicator measures the actual amount of "extra" assessed tax that is collected in the year. It implies the efficiency of debt management procedures is being measured along with the accuracy/sustainability of assessments raised during the audit.
34	Number of U.S. government supported training events related to implementation of the VAT	Operational Plan Indicator/Output Required by Prime Contract	Province	Project records	Monthly	0	0	0	TBD	TBD	Training refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on VAT.
35	Number of tax officers trained	Output Required by Prime Contract	Gender	Project records	Monthly	0	0	0	TBD	TBD	This indicator will capture the number of tax officers trained on VAT or other tax related topics.
36	Ratio of VAT revenue to total tax revenue	Outcome/Impact Required by Prime Contract	Province	LTO records	Annual	0	0	0	Tracking only	Tracking only	This indicator captures the percent of VAT generated revenue to total tax revenue
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved											
37	Average Customs processing time (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported next quarter	Will be reported next quarter	TBD based on number of steps removed	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.

38	Number of documents/procedures required to import and export	Outcome/Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10, import 10, export	10, import 10, export	10, import 10, export	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
39	Time to export and import	Outcome/Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85, import, 81, export (World Bank Doing Busin-ess report 2014)	85, import, 81, export (World Bank Doing Busin-ess report 2014)	85, import, 81, export (World Bank Doing Busin-ess report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.

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FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project

Monthly Report (April1–30, 2015)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also has a presence in Tajikistan, the Kyrgyz Republic, and Turkmenistan and activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

April 1-30 Highlights

- ATAR supported the Ministry of Commerce and Industries (MOCI) in preparing a negotiating team for extending the Afghanistan Pakistan Transit Trade Agreement (APTTA) to include Tajikistan and streamlined measures in the agreement for greater transit facilitation. ATAR also facilitated trilateral consultations in Dushanbe regarding the proposed Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA).
- ATAR assisted the Export Promotion Agency of Afghanistan (EPAA) in signing agreements with the Afghanistan Rural Finance Co. (ARFC) and Afghanistan Industrial Bank (AIB) to provide recommended exporters with credit at a lower interest rate than typically offered.
- The Afghan government made progress in passing WTO-related legislation. The Parliament's Upper House approved the law on geographical indications. The Ministry of Justice agreed, upon ATAR's advice, to include the draft law on topography of integrated circuits on its agenda. The National Economic Commission of the Lower House approved the draft plant protection and quarantine law.
- ATAR conducted a seminar on Afghanistan's WTO post-accession commitments for 30 government officials to increase understanding of WTO and Afghanistan's responsibilities after it joins WTO.
- ATAR submitted to the Afghanistan Customs Department (ACD) an assessment of its post clearance audit function; the report highlighted areas that need improvement to establish a Post Clearance Audit Department according to international best practices.

Key Upcoming Events

- With ATAR support, EPAA will participate in Expo Milano, an international exhibition from May 1 to Oct. 31 in Milan, Italy.
- ATAR will support EPAA in organizing a seminar called "Promoting Afghan Exports to South Asia – Opportunities and Challenges" on May 12.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: Afghanistan's fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government.

2. Legislative Reforms for WTO Conformity

WTO-related laws: During April, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table provides the status of WTO-related legislative items, supported by ATAR, as of the end of April 2015. ATAR's active areas of support for the month are highlighted in light blue, and laws that progressed substantially in status during the reporting period are bolded.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[3]
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding	ACD Wali	The Minister of Finance will adopt the procedure after the draft customs law is	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

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	Decisions (covering advance origin rulings)	Faqirzaad Brian O'Shea	adopted. On April 26 and April 27, ATAR provided ACD's Director General and ACD's Tariff and Legal Department with additional clarification on the procedure and its significance in order to further the legislative process.		
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	ANSA provided a revised version of the law in late March. In early April, ATAR reviewed the revised law. ATAR identified a number of WTO inconsistencies and shared comments with ANSA.	Sponsoring Ministry	No[4]
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	On April 5, the Economic Commission of the Lower House held a session regarding the draft. On April 19, the Economic Commission of the Lower House approved the draft.	Parliament	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	In the prior quarter, ATAR assisted MOJ's Education, Culture, and Health Department in conducting several meetings on the draft law. Once the technical review is finalized, the law will proceed to MOJ Executive Committee.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During April 2015, MOJ's relevant legislative department finished its technical review. The draft is now ready for the review by MOJ's Legislative Executive Committee.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A

[4] Although not on 1393 or 1394 agenda, the MOJ has nonetheless agreed to consider the draft law on standards and technical regulations.

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9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	MOJ inserted an article into the law to establish a patent board in January 2015. MOJ started readying the revised draft law with an official letter to the Council of Ministers to be reviewed by the President.	Ministry of Justice	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In January 2015, the draft was approved by the Upper House and sent to the Office of the State Minister for Parliamentary Affairs. On Feb. 10, 2015, the President endorsed the law. The law has been sent to MOJ for publication.	Ministry of Justice Publication Department	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Legislative Committee of the Council of Ministers approved the draft, instructing MOJ to check certain terms. The Afghanistan Development and Peace Research Organization proposed changes. In January 2015, MOJ asked ATAR to check if the amendments were WTO consistent. ATAR found some violate WTO. ATAR, MOIC, MOCI, and the organization met last quarter to try to reach an agreement.	Council of Ministers	Yes
12	**Law on Geographical Indications**	**MOCI Wali Faqirzaad Polly Maier**	**The Upper House of Parliament approved the law on April 7, 2015. A joint meeting of the Upper House and Lower House will be held to finalize the name on the law.**	**Parliament**	**Yes**
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	On April 5, 2015, MOJ asked related ministries to provide comments. On April 26, ATAR completed review of the comments and submitted the law to MOJ for further processing.	Ministry of Justice	Yes
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	On March 1, 2015, the Civil Procedural Code and Commercial Procedural Code were reviewed with the representative of the Supreme Court of Afghanistan; the Supreme Court representative requested all amendments be incorporated into the Commercial Procedure Code. On April 20, ATAR assisted MOCI in inserting amendments. MOCI will resend the law to MOJ.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed	MOCI Siyar Sahar	During the previous quarter, ATAR assisted MOJ's Commercial and Private Sector	Ministry of Justice	Yes

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	information)	Polly Maier	Department in its initial review of the draft.		
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	On April 3, 2015, ATAR succeeded in including the law in MOJ's legislative action plan for the Afghan year 1394. MOJ sent the plan to the legislative committee of the Council of Ministers for approval. During April 2015, the Council of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	MOJ's Legislative Executive Committee reviewed this law in the past quarter. ATAR provided technical assistance to MOJ during review of the law. The law is now with the Minister of Justice. After the Minister has reviewed the law, MOJ will invite relevant ministries and agencies, including the private sector, to provide final comments. The law will then be sent to the Council of the Minister's Legislative Committee.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. In November 2014, ATAR conducted a workshop at MAIL to improve understanding of the law and discuss the impact assessment.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	On April 4, 2015, MOJ's Executive Committee conducted the second working group on the draft. During this session, participants completed their review of the law.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	During April 2015, ATAR analyzed questions raised by MOJ's Legislative Committee and prepared clarifications.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A

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23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR met with the Afghan Revenue Department (ARD) to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	During the first half of April, ATAR held meetings with MOJ to review the draft law. In the second half of April, MOJ's Finance and Economic Department finished its first technical review of the draft law with ATAR assistance. The department is now conducting its second technical review.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on August 11. The law is published in the official gazette.	Entry into Force	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Plant protection procedures: ATAR assisted MAIL in conducting three working groups to finalize procedures that will support implementation of the law on plant protection and quarantine.

In April 6, ATAR assisted MAIL in conducting a working group to finalize the third procedure in a manual of procedures that support the law on plant protection and quarantine. On April 20 and April 27, ATAR assisted MAIL in conducting working groups regarding the fourth procedure in the manual.

Participants in the working groups included staff from MAIL's Plant Protection and Quarantine Department (PPQD), the Afghanistan Chamber of Commerce and Industries (ACCI), MOCI, Kabul University, and the private sector. ATAR assisted MAIL's PPQD to develop procedures and regulations

to enable implementation of the law on plant protection and quarantine.

In addition, in the second half of April, ATAR shared a draft syllabus for the course called "Afghanistan Agriculture Import/Export Markets and Plant Health Standards" with Kabul University and PPQD to solicit their feedback. The course will help to provide Afghanistan with the specialists needed to implement sanitary and phytosanitary laws such as the plant protection and quarantine law.

Food safety procedure: On April 14, ATAR supported MOPH in conducting a working group meeting on the procedure for food hygiene practices for manufacturing, packing, or holding. Participants included staff from MOPH, MOCI, EPPA, the National Environment Protection Agency (NEPA), ANSA, Kabul University, and the private sector.

In the second half of April, ATAR shared a draft syllabus for the course called "Introduction to Food Safety" with Kabul University and National Agricultural Education College to get their feedback. The course would help provide Afghanistan with specialists to implement the food safety law under WTO.



ATAR assisted MAIL in a working group to review an animal health procedure.

Animal health procedures: In April, ATAR assisted MAIL's Animal Health Directorate in conducting three working groups to review procedures in support of the animal health law.

On April 1 and April 15, ATAR assisted MAIL's Animal Health Directorate in conducting two working groups to review the procedure on sanitary measures for the import and transit of cattle and buffalo. On April 22, ATAR assisted MAIL's Animal Health Directorate in conducting a working group to review the procedure on sanitary measures for the import and transit sheep and goats.

Participants included staff from MAIL's Animal Health Directorate, MOCI, and government border inspectors. Participants reviewed the procedures and made suggestions for improvement.

International intellectual property conventions: During April, ATAR supported the Afghan government in its efforts to join international intellectual property conventions.

ATAR assisted the MOCI in taking domestic measures for enabling membership and preparing application to the Paris Convention for the Protection of Industrial Property, the Madrid Protocol relating to the Madrid Agreement Concerning the International Registration of Marks, and the Singapore Treaty on the Law of Trademarks. ATAR has submitted Dari and English versions of the conventions, introductory notes, and accession instruments to MOCI.

In September 2005, Afghanistan joined the World Intellectual Property Organization (WIPO), the requirements of which are linked to WTO. For WTO membership, Afghanistan is expected to join certain WIPO-administered conventions.

Patent law training: On April 25, ATAR delivered training on patents examination and registration to 20 staff members, six females and 14 males, of MOCI's Afghanistan Central Business Registry-Intellectual Property (ACBR-IP) office.

This training covered an introduction to patents, patentable and non-patentable subject matter, patent examination, patent registration, and exceptions to patent rights.



ATAR delivered training on patent examination and registration to 40 MOCI employees.

Awareness material: ATAR developed public awareness materials in support of the geographical indications, trademarks, and patent law. ATAR translated the geographical indications and trademark material into Dari and has submitted it to MOCI. ATAR is in the process of translating the material on patents.

ATAR also assisted ACBR-IP office in developing a document on the organization of the registrar of geographical indications. ATAR translated the document into Dari.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Metrology framework: ATAR prepared terms of reference (TOR) for supporting ANSA in developing legal and institutional framework for national metrology. The TOR is pending approval.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

Post-accession WTO Unit: On April 26, ATAR conducted a seminar on WTO post-accession for MOCI's WTO Unit and Regional Trade Agreements Departments. Thirty government officials, including five women, from MOCI and other relevant ministries attended the presentation.

The seminar was one of a series of three to increase understanding of WTO and ongoing responsibilities after Afghanistan becomes a member of WTO. The series is a coordinated technical transfer effort in conjunction with a resource paper called "WTO Unit – Post-Accession Structure for Afghanistan's Ongoing Effective WTO Membership and Participation" that has been submitted for discussion to MOCI top management.

During the seminar, ATAR and MOCI also delivered presentations on the South Asian Free Trade Area (SAFTA) agreement and the South Asian Association for Regional Cooperation (SAARC) Agreement on Trade in Services (SATIS).



ATAR distributed certificates to participants who successfully passed a test after the project's statistics training.

6. Assist in Building Analytical Capacity

Computer software training: On April 27, ATAR completed 80 hours of trainings on the "Application of Computer Software for Trade Statistics and Analysis" for trade specialists from the Central Statistics Organization (CSO), MOCI, and EPAA.

The training is a part of ATAR's support for implementation of a memorandum of understanding between CSO, ACD and EPAA to reduce the discrepancy of reporting trade figures by different agencies.

Nineteen of 40 participants successfully passed a test on the subject matter and received certificates from ATAR.

Capacity building in TPAU: ATAR assisted MOCI's Trade Policy Analysis Unit (TPAU) in trade analysis of sensitive goods of Afghanistan and Pakistan based on economic models including the latest data of ACD and CSO on Afghan exports and imports.



In the first quarter of 2015, exports of Afghanistan increased more than 40 percent compared to the same period of 2014. The value of exports to SAFTA countries almost doubled, reaching almost 70 percent of Afghanistan's total exports. In the first quarter of 2015, imports of Afghanistan increased about 25 percent compared to the same period of 2014. Pakistan, India, and China are the top three importers of Afghan goods.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Provide support to MOJ Executive Committee to review the draft food safety law
- Continue to review procedures to support the draft food safety law with MOPH
- Continue supporting development of regulations and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Provide support to MOJ's Finance and Economic Committee to review the draft safeguards law
- Continue to work with MAIL to advance development of implementing regulations and procedures for the law on plant protection and the law on animal health
- Assist MAIL's PPQD to conduct training regarding plant protection and continue to review procedures through working groups
- Assist MAIL's Animal Health Department to conduct working groups regarding animal health procedures
- Continue support for applying to intellectual property conventions
- Continue capacity building for implementation of geographical indications and patents
- Submit to customs draft procedural guidelines for the advance rulings unit and proposals for reviewing the regulations on customs arbitration
- Conclude work on terms of reference for MOCI's WTO unit in a post-accession environment and continue a series of three presentations on this issue to MOCI
- Launch metrology support to ANSA once terms of reference is approved

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport Corridors and trade facilitating measures by working with Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

1. Afghanistan

PATTTA meeting in Dushanbe: ATAR facilitated the organization and logistics connected with the trip of the Afghan delegation to Dushanbe for April 9-10 trilateral consultations with Pakistani and Tajik counterparts regarding PATTTA. ATAR supported MOCI in preparing Afghanistan's negotiating team for extending APTTA to include Tajikistan and streamlined measures in the agreement for greater transit facilitation.

ATAR supported MOCI in the preparation of draft amendments and talking points, participated in the meeting, and provided guidance and clarifications to all parties. The next round of meetings is planned for the second half of May in Kabul with an eye to successfully concluding PATTTA.



ATAR supported trilateral discussions in Dushanbe on the proposed PATTTA.

Afghanistan-Pakistan trade and transit trade facilitation: During the first half of April, ATAR provided input for talking points on Afghanistan-Pakistan trade and transit trade facilitation and the status of

implementation updates for MOCI's Deputy Minister Shinwari and Director General Rahim to use during discussion with Pakistani counterparts.

ATAR included in the briefing materials a white paper called "Ongoing Infrastructure and Procedural Issues at Wagah Land Crossing" that it prepared in close coordination with USAID's Commercial Horticultural Agricultural Program (CHAMP). ATAR also provided talking points and trade data for Director General Rahim's closing comments for the Af-Pak Exhibition in Kabul.

Motor Vehicles Agreement: Per request of MOCI, in the first half of April, ATAR examined the draft Motor Vehicles Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between Afghanistan and India (MVA) between Afghanistan and India.

ATAR determined the MVA does not seem to have any non-implementable provisions and requires the development of new procedures for meeting various formalities for traffic movements. The routes, stops/recreational, entry, and clearance points need to be elaborated.

On April 28, President Ghani and the Prime Minister of India discussed the need to proceed with the MVA.

Access to finance: On April 5, ATAR assisted EPAA in signing a memorandum of understanding with ARFC and AIB to provide exporters with easy access to credit. EPAA will recommend exporters to these financial institutions for export credit on easy terms. These two financial institutions agreed to provide credit to recommended exporters at a lower interest rate than the existing rate of 15-17%. USAID's



EPAA former Chief Executive Officer Najlla Habibyar signed an export finance agreement with ARFC Chief Executive Officer Hashmat Seyar Amarkhail.

Financial Access for Investing in the Development of Afghanistan (FAIDA) project will facilitate these loans.

On April 21, ATAR assisted EPAA in organizing training on trade finance for 35 exporters. The objective of the training was to educate exporters on different trade finance products offered by various banks in Afghanistan. ARFC and AIB made presentations and explained how Afghan exporters can take advantage of short-term credit to finance their export activities.

Export promotional strategies: ATAR continued developing product-specific export promotion marketing, and branding strategies for Pakistan. This strategy paper will contain an analysis for six products, a global market overview, Afghanistan's market, proposed strategies for each of the products, and content for promotional material.

Promoting Afghan exports to South Asia: ATAR began assisting EPAA to organize a seminar entitled "Promoting Afghan Exports to South Asia – Opportunities and Challenges" to be held on May 12. This seminar will provide an opportunity to Afghan exporters to raise trade challenges that need to be addressed by authorities.

The Indian Ambassador will highlight India's assistance in promoting Afghan produce. MOCI will update participants on developments in the areas of APTTA and PATTTA. USAID's CHAMP will explain how its trade office in Delhi can help Afghan exporters.

Expo Milano: ATAR assisted EPAA in organizing Expo Milano and developing communication materials for the event, which will be held in Milan, Italy, from May 1 to Oct. 31. ATAR helped EPAA to begin set-up of the pavilion and developed a video to showcase Afghan food and culture, a booklet highlighting Afghanistan's export potential, a recipe booklet, and posters.

Value chain and business alliance: ATAR worked with the Afghanistan Marble Association (AMA) and Afghanistan Marble Center for Excellence to move Afghan marble producers up the value chain. During April, ATAR assisted a marble processor to obtain a crane and other equipment from India for cutting and polishing; this was partly financed by USAID's Assistance in Building Afghanistan by Developing Enterprises (ABADE) project under a public-private partnership mechanism.

ATAR also coordinated with the Federation of Indian Chambers of Commerce and Industries (FICCI) and USAID's Regional Agricultural Development Program-South (RADP-South) to begin planning two "Made in Afghanistan" events – one in India and one in Afghanistan.

FICCI will identify Indian importers, and ATAR and RADP-South will identify Afghan producers. The events are anticipated to occur in the second half of 2015.

TIR working group: The Ministry of Transport and Civil Aviation (MOTCA) and ATAR held a working group on April 29 to review outdated transport laws, the creation of a new National Transport/Trucking Association, and the feasibility of operating a training institute accredited by the International Road Transport Union (IRU). ATAR proposed sharing the Afghanistan National Customs Academy (ANCA) instead of building a new facility. ATAR set up a meeting between MOTCA and ANCA for the former to visit the ANCA facility and assess the possibility of collaboration.

TIR seminar and workshops: ATAR began working with MOTCA, the Afghanistan Chamber of Commerce and Industries (ACCI), and MOCI to plan a "TIR Awareness Seminar for Transport Operators" on May 19-20 at ACCI.

Transport operators who are pre-qualified as potential Transports Internationaux Routiers (TIR) carnet holders will be invited. The seminar will focus on TIR benefits, application procedures, and eligibility. ATAR will also include an overview of transit routes, border crossing points, and how TIR can simplify international shipments to Central Asia. The objective of this seminar is to increase the number of qualified TIR carnet holders in Afghanistan.

ATAR also began planning with MOTCA, ACCI, and MOCI a "TIR Week" scheduled from June 13-16. The TIR week will start with a TIR roundtable on June 13, followed by a TIR national capacity building workshop on June 14-15, and conclude with a transport and trade facilitation committee with a focus on customs on June 16.

2. Kyrgyz Republic

WTO TFA: On April 21, ATAR worked with GIZ to hold a roundtable on the WTO Trade Facilitation Agreement (TFA) for 29 representatives of trading companies, service associations, and donor organizations. ATAR made presentations and led the discussions, while GIZ provided the venue and handled logistics issues.

CBTA: ATAR met the head of the international department of the Kyrgyz Ministry Transport and Communications (MOT) to discuss the ratification of the Afghanistan's protocol to the Cross-Border Transport Agreement-Corridor 5 (CBTA).

The MOT representative said the Afghan protocol could possibly be approved by government resolution, which would be easier than ratification. MOT wrote to the Ministry of Foreign Affairs for guidance on the proper procedure. MOT said the protocol will be discussed at an upcoming Central Asian Regional Economic Cooperation (CAREC) meeting in Mongolia.

The MOT representative said the status of the border crossing point Karamyk presents an additional issue. In 2014, Tajikistan and the Kyrgyz Republic signed and ratified bilateral agreement between the two countries that allows trucks and drivers to enter without permits. In the agreement, Karamyk is identified as a bi-lateral crossing point. Before its status could be changed to international, this agreement would have to be modified, according to the MOT representative.

Authorized economic operators: The Kyrgyz Republic drafted a government resolution that is a regulation of the implementation of the activities of an authorized economic operator. ATAR translated this resolution and is reviewing it for compliance with international standards.

3. Tajikistan

PATTTA trilateral meeting: ATAR provided a Russian translation of the Afghan counterproposal for

extending APTTA to include Tajikistan, which was used as the basis for the discussions on April 9-10. ATAR participated in the second trilateral meeting, providing guidance and clarifications to the parties.

ATAR facilitated the logistics of the hosting responsibilities of the Tajik government and hosted a final dinner at which the minutes of the second trilateral forum were signed in the presence of the Ambassadors of the United States, Afghanistan, and Pakistan.

In summary of the meeting, ATAR also supported the Tajik government to finalize the updated draft agreement identifying the provisions agreed during the meeting. Those provisions are still to be debated at the third trilateral meeting in Kabul.

Support to the Tajikistan State Customs Service: ATAR continued to provide support to the Tajikistan State Customs Service by assessing post clearance audit compliance ratings and their links to customs' approach to risk management.

In the second half of April, ATAR completed development of a proposal for dialogue between Tajik customs and interested private-sector representatives on the requirements to comply with post clearance audit requests.

This included a presentation and public notice, a training course, and a concept paper and recommendations for the institutional setting for effective post clearance audit activities and the linking of audit results to the risk management system.

ATAR also began development of presentation materials for a proposed roundtable on the WTO TFA targeting customs. ATAR will conduct the roundtable in partnership with GIZ.

At this time, the second- and third-tier management structure of the Tajikistan State Customs Service is in transition, and ATAR is waiting for authorization to continue capacity building with customs staff on post clearance audit, risk management, binding decisions, coordinated border management, and WTO TFA.

Support to the Ministry of Economic Development and Trade: ATAR participated in the first meeting of the working group on WTO obligations of Tajikistan.

The program had as its basis the Tajikistan post WTO-accession plan that was developed by USAID's Regional Economic Cooperation (REC) project in 2014. The plan includes separate activities to address the problems of transport and transit through Uzbekistan, Afghanistan, and the Karamyk border with Kyrgyzstan.

In the second half of April, ATAR finalized the Russian translation of the report "Benefits and Challenges of the potential Afghanistan-Pakistan-Tajikistan-India Trade and Transit Agreement (APTITTA)" and submitted it to the First Deputy Minister of the Ministry of Economic Development and Trade.

Support to the TCCI: In response to a request for capacity building efforts from the Tajikistan Chamber of Commerce and Industry (TCCI), ATAR developed presentation materials to motivate Tajik exporters to realize their potential for export, to maximize their potential at trade shows, and to negotiate deals.

ATAR will present the materials in a private-sector forum convened through the TCCI's Trade Promotion Center and in partnership with UNDP's Aid for Trade program.

Participation at the USAID partner workshop: ATAR attended a two-day workshop in Almaty to review country-specific trade contexts and USAID's progress on trade promotion and facilitation efforts.

ATAR jointly developed and presented a profile of Tajikistan, including trade policy and priorities, challenges faced in the trade sector, summary of competitive value chains, and trade trends and attitudes. ATAR also continued to contribute to the work of a donor and local institution on a mapping exercise for trade in Central Asia.

4. Turkmenistan

Turkmen marble exhibition: ATAR submitted an exhibition contact agreement to the Afghanistan Marble Industry Center of Excellence to consider for participation in the "My White City-Ashgabat" event to be held on May 24-25.

*Support to Export Promotion Institut*e: In response to interest from the Turkmen Export Promotion Institute on USAID's export promotion support, ATAR provided a note highlighting USAID activities in neighboring countries related to export promotion and development and suggestions for initial support for the Turkmen Export Promotion Institute. USAID sent the note to the institute, and ATAR is awaiting concurrence to launch preparation.

WTO TFA: ATAR completed its assessment of Turkmenistan's legal, regulatory, and institutional framework for conformity with the WTO TFA and is translating the document for transmission to Turkmen authorities.

WTO/WCO customs assessment: ATAR completed the translation of the assessment of the Turkmen customs code with WTO agreements and the World Customs Organization (WCO) Revised Kyoto Convention (RKC) and shared the Russian version with USAID Turkmenistan.

With the support of ATAR, USAID submitted a cover letter for transmitting the analysis to the Ministry of Foreign Affairs of Turkmenistan and offering the State Turkmen Customs Service help with changes in the Turkmen code to align it with the WCO RKC and WTO customs-related agreements. ATAR is awaiting concurrence to launch preparation.

Trainings for Turkmen State bodies and associations: ATAR worked on planning for an anticipated seminar on the WCO RKC for the State Turkmen Customs Service and export promotion seminar for the Institute on Research of Commodity Circulation of Turkmenistan's National Goods, the Institute of Strategic Planning and Economic Development of Turkmenistan, and the Chamber of Commerce and Industry of Turkmenistan. The trainings are awaiting approval from the Ministry of Foreign Affairs of Turkmenistan.

5. Uzbekistan

Route study: ATAR completed planning for a study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. ATAR finalized a TOR in early April for approval by USAID.

The study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan. Pending approval on the terms of reference, ATAR is ready to start the study

Customs training: ATAR prepared an outline for one week of training on customs risk management and authorized economic operators to be delivered to Uzbek customs. The outline was shared with USAID/Tashkent and was transmitted through a diplomatic note to Uzbek authorities. Initial feedback was provided and additional clarifications were provided to the Ministry of Foreign Affairs.

On April 21, USAID received confirmation from the Ministry of Foreign Affairs for conducting the seminar. ATAR started preparation of training materials and logistics for the seminar, which is planned for May 12-14.

Cross-Cutting

Regional comparative advantage/trade complementarity study: ATAR completed the study on regional comparative advantage and trade complementarity and identify viable value chains. ATAR produced a 275-page report detailing the analysis.

Component 2: Looking Forward

- Continue to support the PATTTA process
- Continue development and finalization of modalities for Afghan customs at Karachi; transshipping in Peshawar; and a single border stop at crossing point Afghanistan-Pakistan
- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Facilitate the development of a memorandum of understanding on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Support the Tajikistan State Customs Service on the national strategy for coordinated border management, and their continuing efforts to comply with the WTO Trade Facilitation Agreement.
- Build capacity of Tajiks State Customs on post-clearance audit – translate and submit the developed materials and plan for training and outreach events to be conducted in August.
- Support implementation of select provisions of trade facilitation in Kyrgyzstan
- Complete a regional study on comparative advantages and trade complementarity
- Launch trade route mapping study linking Uzbekistan and India and Arabian Sea
- Launch free economic zones assessment
- Continue implementation of aspects related to South Asia Strategy

- Continue promoting regional trade and customs initiatives with CAR
- Continue support SAFTA process
- Continue building EPPA capacity
- Support Expo Milano 2015
- Continue planning for trade and investment workshop in October 2015.

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

ACD compliance strategy: ACD began reviewing papers submitted by ATAR on the Internal Audit Unit and Professional Standards Unit that will form part of a comprehensive compliance strategy. ATAR will discuss the paper and the strategy further in May to progress implementation.

Reduce corruption at ACD: In tandem with the ACD compliance strategy, ATAR regional staff began reviewing areas where enhanced use of automated systems may help reduce opportunities for corruption and identify management controls that are in place and being utilized by ACD managers. The review will highlight best practices and identify any shortcomings and propose solutions.

Risk management: ATAR continued to monitor ACD's risk management in Kabul and the regions. ACD's Risk Management Unit in Kabul raised concerns about a lack of knowledge and awareness of regional officers to create risk profiles. After the completion of ATAR's train-the-trainers course for ACD Enforcement Directorate staff, nominated trainers will deliver ATAR's risk management training to the regions to build capacity. ATAR assisted the Risk Management Unit to develop a reporting mechanism for the Risk Management Committee.

MVT training: ATAR continued to liaise with ACD's Director of Enforcement and the Mobile Verification Team (MVT) Manager on the development of MVT training. The training will be about four weeks and encompass topics such as legislation, team building, professional standards, communication, questioning, interviewing intelligence, body language, and control of passengers and freight. The objective is to develop the competencies, knowledge and skills of officers through classroom and practical training. ATAR is translating the training material and trainers' notes into Dari.

Streamlined customs procedures: ATAR regional customs specialists continued to monitor the current number of procedures at Inland Clearance Depots (ICDs) compared to the national blueprint for streamlined import procedures. ATAR compiled a report on the current status of streamlined procedure compliance at the following ICDs: Kabul, Hamid Karzai International Airport, Jalalabad, Herat, and Hairatan. The report, which will be forwarded to ACD management, will identify non-compliant steps and the reasons they were introduced.

ANCA support: ATAR completed development of the train-the-trainers course that focuses on presentation skills and will be delivered during May. ATAR developed the course for ACD staff who

work in specialist areas. Staff from the Afghanistan National Customs Academy (ANCA) and the Enforcement Directorate will be trained first followed by ACD staff from the Operational and Technical Directorates.

ATAR began drafting a customs training curriculum based on international best practices. The curriculum will cover management, professional, and operational competencies as well as training plans.

ATAR also continued to support ANCA in implementing best practice administrative guidelines. ATAR is in the final stages of drafting the instruction manual, and ANCA management agreed to implement a shared drive for training material to be stored and managed properly. This will ensure the latest training material is being used and amendments are managed under a strict version control system. To expedite matters, ATAR encouraged ANCA trainers to review their own training material and agree on the latest versions, which will be transferred to the shared drive.

Post clearance audit analysis: ATAR continued to support the development of the Post Clearance Audit Department and submitted to ACD an assessment of its post clearance audit function. The report highlighted areas that need improvement to establish a PCA Department using international best practices.

ATAR's analysis found the customs law is insufficient to support a robust PCA approach; the PCA mandate is still linked to frontier operational activity instead of a central compliance-based function; existing review documents are too focused on linking PCA to targeting high-risk transactions and more enforcement-related activities; there are no formal PCA procedural guidance and associated working documents; there exists a lack of a well-documented and compliance-based audit plan; and PCA personnel are not trained in audit techniques and lack the required range of skills.

ATAR also submitted a PCA implementation action plan to ACD. The implementation plan contains strategic and operational decisions that need to be made in regard to legislative review and amendment; team mandate (compliance not revenue collection); geographical location (centrally located with the capacity to expand into the regions); infrastructure and resources; recruitment of technical personnel; reporting avenues; and access to ASYCUDA data.

Strengthening TIR and transit regimes: ATAR worked with ACD and ANCA to develop an outline for a workshop called "TIR Train the Trainers for Customs – Using the TIR Carnets" that is scheduled for May 11-12 in ANCA. ATAR will train customs officials on how to fill up the TIR carnet and to verify the data.

Enhancing ACD performance: ATAR continued collection of revenue, trade, and other relevant data for a financial and economic model to evaluate the performance of the customs administration relative to good practices and allow the comparison of customs offices without regards to the size of the office.

ATAR designed the initial model in Excel and demonstrated the model to the Director General. In the applied methodology, ATAR will focus attention on general customs performance and tariff policy to improve revenue collection.

Intern program: ATAR continued to support ACD's internship program through meetings and daily workplace support. Eight interns are due to complete their internship on June 7 and one intern on June 12. ATAR advised ACD that a second recruitment of ten interns will begin in May for deployment in July.

Component 3: Looking Forward

- Continue regional work with ACD
- ACD, ATAR, DAB and USAID to meet to progress the full implementation of E-payment
- Continue to assist ACD in reviewing regulations and procedures, including warehousing and licensing regulations
- Continue to support ANCA in reviewing training material and developing new material
- Continue to support ANCA to deliver English language courses if the security situation allows
- Continue implementation of the enforcement plan
- Implement the weekly compliance snapshot template and start providing ACD management with weekly compliance and performance data
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency
- Following a request from the Balkh Regional Director, provide local assistance for one week at the Mazar International Airport include identifying opportunities for streamlining import procedures, improving risk management operations, and gaps in training skills
- Develop airport training course for customs officers at Mazar International Airport.
- Discuss with ACD the timeline and activities for the implementation of an IAU and PSU
- Draft and submit a post-clearance audit gap analysis.
- Start the development of relevant policies, procedures, and training materials in support of implementing a professional post clearance audit functions

ATAR Rolling Calendar

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
May 1-Oct. 31	Export Milano	EPAA	Milan, Italy	C2
May 12	Promoting Afghan exports in South Asia – Opportunities and Challenges	EPAA, MOCI, businesspeople	Kabul, Afghanistan	C2
June 13-16	TIR Week (three separate TIR events)	IRU, MOCI, ACCI, transporters	Kabul, Afghanistan	C2

Bold items indicate the possible presence of high-level officials.

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FROM THE AMERICAN PEOPLE

Looking Back: Monthly Report (August 1 – 31, 2014)
Looking Forward: Future Activities Report (September 1 – 15, 2014)

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

1. WTO Accession Process

Fifth Working Party meeting: Afghanistan's fifth Working Party meeting is tentatively expected to occur in November 2014 at the World Trade Organization (WTO) headquarters in Geneva, Switzerland.

2. Legislative Reforms for WTO Conformity

WTO-related laws: In August, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The below table provides the status of WTO-related legislative items as of the end of August. ATAR's active areas of support for the reporting period are highlighted in light blue.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws and Regulations Included in MOJ 1393 Agenda[3]
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	Afghan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	The Ministry of Justice (MOJ) submitted the draft to the Council of Ministers in March 2014.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted. ATAR supported establishment of a working group in July 2014 to review the draft.	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

4	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	With ATAR support, the ANSA Management Board completed its review and shared a Dari version of the law with track changes with ATAR for analysis. During this reporting period, ATAR supported revisions to the draft based on WTO.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	On August 23, the Legislative Committee of the Council of Ministers approved the draft and submitted it to the Secretariat of the Council of Ministers to be included on the agenda of the General Meeting of the Council of Ministers.	Council of Ministers	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	ATAR assisted MAIL in finalizing the draft law in June 2014. This draft will be presented to the MAIL Minister for approval and then submitted to MOJ.	Sponsoring Ministry	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Naseeba Hussaini Gary Stefan	ATAR began working with MOJ to review the draft in 2014. MAIL then raised concerns regarding the authority of MAIL and MOPH with regard to food safety and requested MOJ and MOPH to stop working on the draft. MAIL requested information on options to best implement Afghanistan's food safety system, and ATAR will present options based on best practices to the MAIL Minister.	Ministry of Justice	Yes
8	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	MOJ submitted the law to the Council of Ministers in March 2014. The Council of Ministers has not yet begun review.	Council of Ministers	Yes
10	Amendments to the Law on Trade Marks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	MOJ submitted the draft to Parliament in April 2014. In July 2014, the Economics and Financial Commission of the Parliament (Lower House) reviewed the amendments and shared with other commissions for feedback.	Parliament	Yes

11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	In July 2014, a milestone was achieved when MOJ submitted the draft amendments to the Legislative Committee of the Council of Ministries. During the reporting period, ATAR worked closely with MOIC and MOJ to refine responsibilities of the Copyright Board.	Council of Ministers	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	The draft was included on the agenda of the General Meeting of Council of Ministers on August 9, 2014. The Council of Ministers, chaired by the President, approved the draft. On August 20, the Council of Ministers submitted the approved law to MOJ for Pashto translation and further legislative process. When the Pashto is complete, the law will be submitted to Parliament.	Council of Ministers[4]	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI Wali Faqirzaad Polly Maier	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Siyar Sahar Polly Maier	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi Polly Maier	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments. MOJ is working on the draft after approval of the amendments.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR is working with MOCI to encourage MOJ to include the draft on this year's agenda. During this period, ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection in Afghanistan. ATAR collected data for the pre-assessment.	Sponsoring Ministry	No

[4] The geographical indications law will be sent to the Parliament in the coming weeks.

19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad Drew Sundberg	MOCI, Ministry of Finance, Ministry of Education, and the Afghanistan Chamber of Commerce and Industries (ACCI) participated in a working group meeting on August 17 to discuss amendments. ATAR provided justification for the amendments on the basis of WTO.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar Drew Sundberg	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi Drew Sundberg	MOJ included the draft on its agenda for the fourth quarter of the Afghan year 1393 but agreed to bring it forward to the second quarter. During the reporting period, ATAR assisted MOJ in working group meetings to review the draft. Eight articles of 19 have been reviewed.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi Drew Sundberg	The procedure is awaiting approval by the Minister of Commerce and Industries.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review. ATAR assisted ACD to conduct a working group meeting on August 6 to review the procedure.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance Siyar Sahar Farhat Farhat	The Afghanistan Revenue Department (ARD) said the draft was finalized and submitted to MOJ. MOJ said it did not receive the draft.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi Drew Sundberg	The draft is awaiting review by the relevant MOJ legislative department. MOCI and ATAR are encouraging MOJ to include the law on this year's agenda.	Ministry of Justice	No
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The Lower House approved the law; the law is pending approval by the Upper House.	Parliament	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on August 11.	President	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Food safety course: In the first half of August, ATAR met with MOPH and Kabul University's Faculty of Veterinary Science to discuss a course on the national food safety regulatory system that would help provide Afghanistan with specialists to implement the food safety law required under WTO.

Both MOPH and Kabul University's Faculty of Veterinary Science agreed on the course, and MOPH said it would work with the Ministry of Higher Education to formally adopt the course as part of the official curriculum of the Faculty of Veterinary Science.

Food safety law: In preparation for implementation of the food safety law, ATAR assisted MOPH in working group meetings throughout August to review food additives and substances permitted and prohibited for use in food.

Representatives of MOPH, MOCI, ACCI, Afghanistan National Standards Authority (ANSA), Export Promotion Agency of Afghanistan (EPAA), National Environmental Protection Agency (NEPA), and Kabul University attended the meetings. ATAR provided technical guidance during the meeting.

Plant health standards course: In the first half of August, ATAR met with MAIL's Plant Protection and Quarantine Department (PPQD) and Kabul University's Faculty of Agriculture to discuss a course on Afghanistan's agriculture import and export markets and plant health standards.

ATAR received the commitment of PPQD and Faculty of Agriculture to establish the course as well as the commitment of PPQD to work with the Ministry of Higher Education to formally adopt the course as part of the official curriculum of the Faculty of Agriculture.

As part of WTO requirements, Afghanistan must pass and implement sanitary and phytosanitary laws, including the plant protection and quarantine law and the plant variety protection law food law; the course would help to provide Afghanistan with the specialists needed to implement the law.

Plant protection and quarantine regulation: During the first half of August, ATAR assisted MAIL's PPQD in completing model procedures intended as a training tool for PPQD. The model procedures provide the structure and information that will allow the PPQD to develop other procedures in support of the plant protection and quarantine regulation. Once the law is enacted and its regulation enforced, the procedures will be organized in a manual for the private sector.

Regulation on veterinary control of import and export: In the first half of August, ATAR held a seminar on the regulation on veterinary control of imports and exports for the MAIL's Animal Health and Veterinary Services Department. ATAR educated the participants on new amendments to the regulation, which helps control imports and exports of animals and animal health products.

During the second half of August, ATAR held meetings with the Animal Health and Veterinary Services Directorate to share planned activities regarding the veterinary legislation. ATAR will assist the Animal Health Directorate to finalize at least a dozen pieces of veterinary legislation in the next ten weeks.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Conformity assessment: During the first half of August, ATAR assisted ANSA in preparing procedures for recognizing the conformity assessment tests of other countries as equivalent to its own tests.

Conformity assessments involve processes that show a product, service or system meets the requirements of a certain standard. The WTO promotes equivalence provisions that, for example, enable governments to accept different measures that provide the same level of health protection for food, animals and plants.



ANSA lab technicians tested products imported into Afghanistan. ATAR is supporting ANSA in developing procedures to recognize conformity assessments tests from other countries.

With ATAR support, ANSA also finalized a draft procedure for inter-agency cooperation to ensure timely submission of replies to enquiries and notifications to the WTO. The procedure is being circulated to other ministries for final review.

Accreditation process: During the second half of August, ATAR assisted ANSA to start the accreditation processes of its certification unit. ATAR assisted ANSA to sign a memorandum of understanding (MOU) between ANSA and a Turkish accreditation agency called TURKAK. ATAR assisted ANSA in requesting information to start the accreditation process, and TURKAK sent forms that are being reviewed by ANSA. ATAR also prepared a plan for ANSA to train staff as auditors for the unit.

Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

WTO Unit: During August, ATAR coordinated all WTO activities with MOCI. The WTO Unit participated in all ATAR-sponsored working group meetings and worked with other line ministries.

5. Building Analytical Capacity

TPAU: During the first half of August, the Trade Policy Analysis Unit (TPAU) finalized its annual review on trade in Afghanistan. ATAR had supported the TPAU in preparing past reviews, and the unit has taken increasing responsibility to collect and analyze the data and prepare the review on its own.

In addition, with ATAR support, the TPAU collected information to estimate the impact on trade in light of recent changes in tariff rates recommended by the International Monetary Fund.

6. Building Nationwide WTO Awareness

WTO awareness seminars: ATAR began support to MOCI in organizing awareness seminars to introduce the WTO and Afghanistan's accession process and commitments to key line ministries, other relevant organizations, and the private sector.

During the reporting period, ATAR drafted a plan for the seminars and shared the plan with MOCI for feedback. The aim is to educate participants on the WTO and its benefits to Afghanistan.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting.
- Continue support to advance WTO-related draft legislation, regulations, and procedures.
- Assist MOCI to finalize a plan for WTO awareness seminars.
- Continue to work with MOPH to advance development of implementing regulations and procedures for the law on food safety.
- Conduct capacity building assessment needs of the TPAU.
- Launch development of syllabus/course materials for the courses to be held with Kabul University.
- Follow up on completion of action plan for ANSA training and certification activities.
- Assist ANSA to develop financial sustainability plan.

COMPONENT 2: Enhanced Access to Regional Markets

1. Afghanistan

Trade and transit agreements: In the first half of August, ATAR translated a draft model agreement on trade and transit between Afghanistan, Azerbaijan, Georgia, and Turkmenistan into Russian, Dari and Pashto. At MOCI's request, ATAR had assisted in the preparation of the agreement in early July. The draft agreement is based on the Cross Border Transport Agreement and WTO agreements and includes an annex on transport.

In the first half of August, ATAR also helped amend the model agreement on trade and transit with Turkmenistan and the model agreement on trade and transit with Azerbaijan to update an article on transit to reflect the WTO Trade Facilitation Agreement (TFA). ATAR updated the agreements in Russian, Dari, and Pashtu.

Customs agreements: In the first half of August, ATAR assisted in preparing a draft model agreement on mutual assistance on customs matters between Afghanistan and Uzbekistan and another between Afghanistan and Turkmenistan.

ATAR also supported preparation of an MOU on information exchange between Afghanistan and Uzbekistan and another between Afghanistan and Turkmenistan. The MOUs are patterned on the MOU between Afghanistan and Tajikistan.

ACD requested a meeting with Tajik customs during the first week of September to sign the MOU on information exchange. Tajikistan did not accept this date and will suggest a new date.

TIR workshop: ATAR participated in Transports Internationaux Routiers (TIR) workshops in Karachi, Lahore, and Islamabad from August 18-22 to discuss progress in Pakistan's accession to the TIR Convention.

Pakistan's Parliament had demanded certain conditions to accede to TIR on the grounds of national security. This would result in preferential treatment of Pakistan and was rejected by the United Nations. With China and United Arab Emirates in the process of accession, there is a renewed impetus in Pakistan to accede, driven by the support from the private sector.



ATAR participated in a TIR workshop in Pakistan.

The three-day workshop resulted in the following decisions:

- Pakistan should accede to the TIR Convention as soon as possible.
- Pakistan needs to consider a central ministry to oversee transportation.
- Infrastructure at key border crossing points needs to be developed.
- Pakistan should review and implement a trucking policy in the country.
- The TIR Commission should lead the finalization of the necessary preparations for accession.
- A single window is recommended to improve trade facilitation.
- Transport operators should take steps to ensure trucks are TIR compliant.
- Pakistani customs needs to revise its customs code to accommodate the use of TIR.
- Once the accession is achieved, capacity building is necessary for stakeholders.

The TIR Convention is an international customs transit system that makes it easier for goods to move across the roads of member countries. The TIR was established in 1975, and Afghanistan joined in 1976 and is in the process of operationalizing the convention.

TIR awareness in Afghanistan: ATAR worked with government and private-sector counterparts through August to preparing for TIR events in Afghanistan to educate stakeholders.

ATAR will support training for customs officials at the Afghanistan National Customs Academy (ANCA) Sept. 7-8; training for transport operators on Sept. 17-18; and a TIR and logistics forum on Sept. 27. ATAR anticipates the Minister for Transport and Civil Aviation (MOTCA) will open the forum.

ATAR is also planning a regional TIR seminar and networking event in November with the International Road Transport Union (IRU), ACCI, USAID, and Afghan transporters as well as those from Pakistan, Tajikistan, the Kyrgyz Republic, Turkmenistan, Kazakhstan, and Uzbekistan. The event is planned for Bishkek, Kyrgyz Republic, for up to 100 participants.

APTTA meeting: ATAR began assisting MOCI and ACD in preparing for the Afghanistan-Pakistan Transit Trade Coordinating Authority (APTTCA) meeting by identifying agenda priorities. The meeting is expected to occur in September 2014.

APTTCA, which was established with the support of USAID's Trade Accession and Facilitation for Afghanistan (TAFA) project, administers and oversees implementation of the Afghanistan-Pakistan Transit Trade Agreement (APTTA).

CATF: ATAR supported EPAA in inviting Afghan associations and traders to the Central Asia Trade Forum (CATF) and preparing them for the event to be held in Almaty, Kazakhstan, in October.



A group of handicraft producers at EPAA discussed the upcoming Central Asia Trade Forum.

With ATAR support, EPAA held a CATF presentation on August 30 for more than 25 exporters. Ten female handicraft producers and one dried fruit trader confirmed their participation in CATF. ATAR also met with ACCI and the Afghanistan Investment Support Agency (AISA) to update them on the event.

World Food Exhibition: With ATAR's support, EPAA held a roundtable on Aug. 30 to introduce the World Food Exhibition in Almaty on Nov. 5-7 to interested Afghan traders. ATAR and EPAA invited 20 traders from dried and fresh fruit and saffron sectors. Three traders confirmed their participation.

2. Kyrgyz Republic

WTO TFA assessment: In the first half of August, ATAR finalized a draft assessment of the Kyrgyz Republic's compliance with the WTO TFA. The assessment will help the Kyrgyz Republic in preparing its official notification to the WTO on how it will comply with TFA requirements.

The WTO TFA brings together improved and new provisions to improve transparency, increase private-sector participation, and strengthen transit rights.

Customs training: During the reporting period, ATAR supported the Organization for Security and Co-operation in Europe (OSCE) in preparing for a training of Afghan customs officers at the Kyrgyz Customs Academy. ATAR prepared the first training materials and gave them to OSCE for translation. The course will occur in mid-October and comprise 40 hours of intellectual property rights training.

Customs strategy: In August, ATAR reviewed the Kyrgyz Republic's Ministry of Economy draft strategy and work plan on development of the customs service for 2014 through 2017. ATAR determined the strategy was in line with international standards.

3. Tajikistan

Tajik customs: In support of Tajik customs, ATAR developed a proposal in the first half of August that clarifies the role of the post clearance audit and explains how auditors will adopt a risk-based selection process to conducting audits.

ATAR also developed a policy and supporting procedures to ensure that information important to customs' functions is adequately safeguarded to protect the public and national interests.

In the second half of August, ATAR developed an implementation plan for a pilot "one stop" at Nijni Panj, which lies on the border of Afghanistan and Tajikistan. The Tajik government had adopted a decree in July that defines the "one stop" principle for joint actions of state control agencies represented at the border, and Tajik customs is planning for a pilot implementation at Nijni Panj.

Veterinary science risk analysis framework: ATAR finalized a risk analysis framework for the introduction of a risk management system of animals and animal products imported into Tajikistan. ATAR also prepared a presentation introducing internationally accepted principles of risk management

and how they can be integrated into Tajikistan's State Veterinary Service. ATAR gave the materials to Tajikistan's State Veterinary Service, which agreed to provide feedback in early September.

Follow-up to business-to-business forum: ATAR continued to follow up on the business-to-business forum in Dushanbe on June 23-24 to determine if contracts were proposed or finalized between the Tajik business community and delegates from Afghanistan, Kyrgyz Republic, Kazakhstan, and Pakistan.

The Rahyab Co., headed by one of the Afghan women entrepreneurs who attended, reported it imported chocolates and handicrafts from Tajikistan and is evaluating a proposal to export rice to Tajikistan.

4. Turkmenistan

Turkmen Construction Exhibition: In cooperation with FLAGG International, ATAR facilitated the participation of five Afghan marble producers in the Turkmen Construction Exhibition in Ashgabat on August 27-29.

During the exhibition Afghan construction companies discussed the business opportunities with international construction companies and businesses and international construction companies from France, Turkey, and China working in Turkmenistan.

Although no deals were finalized, the companies expressed interest in Afghanistan's marble. The Turkmen-based companies said that Afghanistan's marble is cheaper than that of Greece and Turkey and is of comparable or better quality.



Participants in the Turkmen Construction Exhibition examined Afghan marble.

WTO assessment: ATAR launched the process of assessing the level of conformity of Turkmenistan with the WTO TFA. ATAR also began assessing the customs code of Turkmenistan with WTO agreements and the World Customs Organization Revised Kyoto Convention

5. Uzbekistan

Trade opportunities: ATAR continued to identify Uzbek import and export opportunities for regional trade as well as Uzbek traders interested in trading with other Central and South Asian countries.

6. Cross-Cutting

MOU among chambers of commerce: ATAR continued to follow up on a draft MOU it prepared for consideration by regional country chambers to strengthen cooperation, including information sharing and cooperation on resolving trade, transit, and transport issues in the region.

The MOU was based on meetings at the margin of the business-to-business event in Dushanbe with the Chamber of Commerce and Industry of the Kyrgyz Republic, the Chamber of Commerce and Industry of the Republic of Tajikistan, PAJCCI, and the Kabul Chamber of Commerce and Industry (KCCI). ATAR has received initial feedback from KCCI.

MOU on customs cooperation on risk management: In consultations with customs authorities, ATAR finalized a first draft regional MOU on the exchange of intelligence and information for the purpose of enforcement and strengthening of risk management in Afghanistan, the Kyrgyz Republic and Tajikistan.

Component 2: Looking Forward

- Promote signing of MOU between Afghanistan and Tajikistan on customs cooperation.
- Finalize the MOU on risk management between Afghanistan, Tajikistan, and Kyrgyz Republic.
- Finalize the MOU between regional chambers of commerce on establishing a platform for cooperation.
- Support effort to build capacity for post-clearance audit of the Tajik State Customs Service.
- Support the Tajikistan State Customs Service with plan for a pilot of the "one-stop" concept at Nijni Panj.
- Support effort to build capacity for risk management within the Kyrgyz State Customs Service.
- Support the Trade Investment Framework Agreement (TIFA) customs working group meeting in Bishkek on Sept. 9-11.
- Continue working on a study on identifying goods of interest to regional traders.

Customs 3a: Improved Tax Administration

VAT: This activity is on hold pending further instruction from USAID and was temporarily removed ATAR's year-one work plan.

Customs 3b: Improved Customs Reform

BMM review: In coordination with ACD and the Afghan Border Police (ABP), ATAR completed an assessment of the Border Management Model (BMM) at Sher Khan Bandar, Hairatan, Islam Qala Border Crossing Points (BCPs) and Kabul International Airport (KIA) at the end of August.

Visits to Torkham BCP and Aquina BCP will be completed by mid-September 2014. Visits to Spin Boldak and Zaranj BCPs will be conducted if security allows.

Initial findings, which will identify non-compliance and include recommendations for change, will be submitted by the end of September. If visits to Spin Boldak and Zaranj cannot occur before mid-October, a draft report will be submitted instead of initial findings.

ANCA business plan: ATAR completed ANCA's draft interim business plan for 2014 through 2016 to facilitate ANCA in its transition from a donor-led facility to an Afghan-led training facility by 2016. ACD is adapting the business plan to individual donor requests to facilitate this transition.



Dr. Ken Yamashita from the U.S. Embassy congratulated a member of ANCA's twentieth graduating class of customs officers. ATAR is supporting ANCA in creating a business plan for the academy.

ATAR also met with the Border Management Task Force (BMTF) and ANCA director. The BMTF said ANCA requires sustained assistance to develop training modules; the director confirmed this and added there was a need to develop and deliver management training.

Risk management: ATAR continued to monitor the operation of risk management at ICDs in Jalalabad, Hairatan, Herat, KIA, and Kabul. ATAR received additional data for Jalalabad, Hairatan and Herat and will review the data prior to finalizing its report on risk management implementation.

E-Pay: ATAR participated in a meeting on August 10 with ACD, Da Afghanistan Bank (DAB), USAID, and the World Bank and a meeting on August 24 with ACD, DAB, and USAID to discuss electronic payment, or E-Pay, of customs duties.

In the August 10 meeting, DAB and the World Bank expressed concerns about the feasibility of fully automating the customs payment process, noting that the systems for calculation of dues, payment of such dues, and recognition of payment by customs are currently separate.

DAB also expressed its preference for not being responsible for data entry in ASYCUDA. However, ACD said DAB should continue performing the function until a data bridge is developed between the two; this matter will be brought to the attention of the Deputy Governor of DAB for approval. It was clarified this data bridge will be part of the World Bank project to upgrade DAB's financial system. DAB and the World Bank confirmed the tender process started and could take about one year.

The meeting also focused on the requirement to facilitate trade by allowing importers to pay at any bank, including commercial banks. DAB said electronic links between the central offices and the branches were already in place in many locations.

At the August 24 meeting, DAB and ACD agreed on the following:

- DAB and ACD will implement an outreach program so that importers will be aware of E-Pay. ATAR will support this outreach.
- DAB will implement a training program for all commercial banks.
- DAB will continue to issue and input the "P" number while full automation is developed.
- DAB will implement a training program for DAB staff who will input the 'P' number.
- DAB and ACD will form a joint working party to meet on a regular basis to develop and implement the fully automated customs payment process. ATAR will provide technical support.

At the end of the meeting, all agreed that implementation can begin immediately.

ATAR year-two draft work plan: ATAR held a meeting with ACD directors on August 12 and with the ACD Director General on August 17 to discuss ATAR's draft work plan for the second year.

The Director General was in agreement with the proposals for Year 2 work plan. However, these proposals are dependent on USAID approval and international experts to support the activities.

Customs regulations and procedures: ATAR continued to support ACD in a review of its customs regulations and procedures. ATAR completed its review of the checklist for exemptions, military exemptions, general exemption procedures, temporary export procedure, and export procedure. ATAR is currently reviewing the regulation on advanced rulings.

Component 3: Looking Forward

- Await formal approval and/or feedback on the VAT work plan that directly supports ACD.
- Continue regional work with ACD to evaluate risk management
- Continue to work with the ACD, DAB, and USAID on E-Pay.
- Finalize the national review of risk management implementation in the ACD.
- Continue with the review of the BMM and assess compliance.
- Assist the ACD in developing questionnaire that identifies issues faced by female employees.
- Continue to assist ACD in reviewing regulations.
- Discuss ANCA training plan for 2015 with ACD top management and agree on the training modules that need development.
- Submit gender training materials to ACD for review.

ATAR Rolling Calendar

Rolling Calendar					
Date	**Event**	**Participants**	**Location**	**Comp-onent**	**Comments**
September 7-8	TIR training	Customs officers	ANCA	C2	
September 8-11	U.S. Patent and Trademark Office/Global Intellectual Property Academy training	16 Afghan officials, two ATAR lawyers	Virginia	C1	
September 17-18	TIR training	Transport operators	Association of Afghan Freight Forwarding Companies (AAFCO)	C2	
September 27	**TIR and logistics forum**	**MOTCA**	**MOTCA**	**C2**	
September	**APTTCA meeting**	**Afghan and Pakistani public officials and private-sector representatives**	**Islamabad, Pakistan**	**C2**	
November	TIR seminar	IRU, ACCI, USAID, Afghan transporters	Bishkek, Kyrgyz Republic		
November	**Afghanistan's Fifth Working Party meeting**	**Afghan government officials**	**Geneva, Switzerland**	**C1**	**Tentative**
October 29-30	Central Asia Trade Forum	EPAA	Almaty, Kazakhstan	C2	Organized by REC, ATAR will support.
November 5-7	**World Food Exhibition**	**EPAA**	**Almaty, Kazakhstan**	**C2**	

* Bolded items indicate the presence of high-level officials or media.

ATAR Indicator Table

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO) report)	$9.2 billion in 1392 excluding transit (CSO)	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). Note: Total volume of trade in 1392 was $9.2 billion based on CSO data, which included import ($8.7 billion) and export ($515 million).
2	Value of gross domestic product (GDP)	Outcome/ Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$21 billion in 1391(CSO report)	$21.2 billion in 1392 (CSO)	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. Note: Based on a CSO report, the total value of Afghanistan's GDP in 1392 was $21.2 billion.
3	Ratio of foreign trade in GDP	Outcome/ Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank)	Import 47% Export 6% 2013 (World Bank)	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported next quarter	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$515 million in 1392 (CSO)	Tracking only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** based on CSO, the total value of export 1392 is $ 515 million. **Disaggregation by Country:** Pakistan = $ 198 million India – $ 102 million Iran = $ 42 million Turkey = $ 35 million UAE = $ 26 million Iraq = $ 23 million China= $ 20 million Turkmenistan = $ 14 million Netherlands=$ 12 million Germany=$ 9 million Others = $ 34 million

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
6	Value of imports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$8.7 billion in 1392 (CSO)	Tracking only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on Central Statistics Office, total value of Afghanistan import in 1392 was $ 8.7 billion. **Disaggregation by Country:** Pakistan = $ 1.7 billion Iran = $ 1.5 billion UAE = $ 1.2 billion Turkmenistan = $ 640 million Uzbekistan = $ 582 million Russia = $ 520 million China = $ 437 million Kazakhstan = $ 324 million India = $ 147 million Malaysia = $ 122 million Japan = $ 84 million Others = $1.3 billion
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/ Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
9	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/ Impact USAID requested indicator	None	GIROA	Annual	27%	27% (ACD and CSO report 1392	20%	10%	It is crucial to have reliable trade related data for policy and planning. ATAR will support ACD and CSO (Central Statistics Office) to harmonize trade related data between the two organizations. **Note:** based on trade statistics data from ACD and CSO for the year 1392, the overall discrepancy was 25% (import 27% and export 23%).
PIR1.1: WTO accession process finalized										

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quart-erly	0	8	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement. The eight legal acts in the project results are: 1. Plant protection and plant quarantine submitted to the Council of Ministers by MOJ 2. Law on animal health and veterinary public health submitted to MOJ by MAIL 3. Law on geographical indications submitted to Council of Ministers by MOJ 4. The law on trademarks approved by Council of Ministers and submitted to Parliament 5. Amendments to the 2005 customs law submitted to Council of Ministers by MOJ 6. Amendments to the patents law submitted to Councils of Minister by MOJ 7. The procedure on intellectual property border enforcement submitted to the Minister of Finance for signing 8. The procedure on intellectual property border enforcement adopted and came into force on April 12, 2014

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quart-erly	0	7	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR in Afghanistan. The reforms reflected in the project's results to date are: 1. Institutional proposal accepted by MOCI for establishing a Safeguard Unit 2. CITS developed for Kyrgyzstan 3. Five International Standard Organization (ISO) mirror committees established (1. food; 2. textile and leather; 3. metrology 4: construction, and 5. petroleum products and lubricants).
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quart-erly	0	6	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level (including by working group) with ATAR support. This mainly refers to the first draft finalized at the Ministerial level. The draft legislative items in the results to date are six regulations related to implementation of the food safety law: 1. Operation of the Food Import Control System; 2. Exchange of Information in Food Safety Emergency Situations; 3. Exchange of Information between the GIROA and Exporting Countries Regarding the Rejections of Imported Food; 4. Determining Equivalence of Sanitary Measures; 5. Obtaining a Food Businesses Identification Number; 6. Protection of Privacy
PIR 1.2: WTO implementation process developed and executed										

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Month-ly	0	61 (Participants: 654 male 544 and female 110)	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, round table discussions and other trade gathering.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quart-erly	0	7	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator. The results to date include: 1. Consultative meeting with fruits and vegetable businesses at CABOC 2. Consultative meeting with handicraft, carpet, gemstones and marble businesses at CABOC 3. Consultative meeting with women businesses at CABOC 4. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 5. Consultative meeting with KCCI regarding customs valuation practices 6. Working group for development of implementing regulations for food safety law 7. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Month-ly	0	2	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses Awareness seminars to date include: 1. WTO awareness seminar for MOJ 2. Awareness about regional opportunities (Dushanbe business-to-business event)
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator / Output USAID requested indicator	Province	Project records	Quart-erly	0	2	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/ Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
18	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Perceptio n survey	Annual	To be determined (TBD) from perception survey	To be determined (TBD) from perception survey	10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted in Year 1 of the project to collect baseline information and annually thereafter targeting the same group
PIR 2: Regional and global integration enhanced										
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records and MOCI	Quart-erly	0	3	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support. 1. Transit and Transport Agreement with Azerbaijan launched 2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/gender	Project Record and (EPPA)	Month-ly	0	264 firms = 47 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, 107 businesses from Dushanbe business-to-business event	80 firms	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/ Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	3	6	24	This indicator will capture the number of interactions and dialogues between the businesses and government organizations in the region on policy reform issues. 1. Two trade facilitation workshops in Kyrgyzstan in April and June 2014 2. Session during Dushanbe business-to-business event related to policy reform involving businesses and government representatives
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays
24	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6 (2012)	The project will report this indicator once the CPMM report for 2013 published by ADB	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included. Note: Based on the CAREC Program Development Effectiveness Review Report 2012, the cost to travel 500 km per 20 ton is: Corridor 5 = $1,580 Corridor 6 = $719

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
25	Percentage share of trade with regional partners	Outcome/ Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator will capture the share Afghanistan trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan
26	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$ 157 (2012)	The project will report this indicator once the CPMM report for 2013 published by ADB	Tracking only	Tracking only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the average cost of crossing border is $ 157
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
27	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$ 875 million in 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** based on MoF Performance Report, the customs revenue in 1392 is Afs 49.4 billion = $ 875 million

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
28	Number of permanent professional positions allocated for women within ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quart-erly	77	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
29	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quart-erly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue , performance of core functions, and facilitation of trade improved										
30	Average Customs processing time (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported in next quarter	TBD based on number of steps removed	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
31	Number of documents/procedures required to import and export	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10, import 10, export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2014)	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
32	Time to export and import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	85 days, import, 81 days, export (World Bank Doing Business report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.
33	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Project achieve-ments to date (Nov. 2013 to August 2014)	Year 1 Target	Life-of-Project Target	Notes
34	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management.
Cross – Component Indicators										
35	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Month-ly	0	54 trainings 955 participants including 784 male and 171 female 945 persons days of training	30 trainings/ 300 participants	120 trainings / 1,200 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training.
36	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Month-ly	0	6,613 (Male 5,277 female 1,336)	1500	6000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40. This target for this indicator is set based on indicator No. 36 (# of trainings) assuming that each ATAR-led training maybe be on an average 5 hours.

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Afghanistan Trade and Revenue (ATAR) Project

Monthly Report (Feb. 1–28, 2015)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also has a presence in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan and activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

Feb. 1-28 Highlights

- In partnership with the Export Promotion Agency of Afghanistan (EPAA) and USAID's Commercial Horticulture and Agriculture Program (CHAMP), ATAR supported Afghanistan's participation in Gulfood 2015 on Feb. 8-13 in Dubai. The sixteen Afghan participants reported more than $2.3 million in confirmed deals and $5.9 million in potential deal.
- ATAR supported two awareness sessions in Dushanbe, Tajikistan, on Feb. 25 and Feb. 26 for the private and public sector on the proposed Pakistan Afghanistan Tajikistan Transit and Trade Agreement (PATTTA).
- President Ashraf Ghani ratified the amendments to the Trademarks Law, which will soon be published in the official gazette for entry into force. The Trademarks Law is part of a set of laws that the WTO requires of its members to ensure strong protection of intellectual property rights.
- In support of implementation of the Trademarks Law, ATAR delivered, in partnership with MOCI's Afghanistan Commercial Business Registry for Intellectual Property (ACBR-IP), two trademark trainings to the private sector and two trademark trainings to the legal community. Eighty-nine people, including 39 women, attended the events.
- ATAR guided MOCI's Trade Policy Analysis Unit (TPAU) in the estimated impact of the implementation of the South Asian Free Trade Area (SAFTA) agreement. Since SAFTA's full implementation in August 2011, Afghanistan's exports to SAFTA countries have almost doubled.

Key Upcoming Events

- ATAR will support bilateral consultations between Afghanistan and Tajikistan in Dushanbe regarding the proposed PATTTA in Tajikistan on March 9-10.
- ATAR will hold a seminar on trade finance in partnership with EPAA on March 3 in Kabul.
- ATAR will work with EPAA to support Afghan dried fruit, nut, and saffron traders in the Aahar International Food and Hospitality Fair on March 1-14 in New Delhi, India.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: The fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government.

2. Legislative Reforms for WTO Conformity

WTO-related laws: In February, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table provides the status of WTO-related legislative items as of the end of February. ATAR's active areas of support for the month are in light blue.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws and Regulations Included in MOJ 1393[3] Agenda[4]
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	In the second half of 2014, ATAR worked with ACD to finalize the draft; the draft has been submitted to the Director General for approval. ATAR is following up with the	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] The solar year 1393 covers the Gregorian year March 21, 2014, through March 20, 2015.
[4] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

			Director General. The Minister of Finance will adopt the procedure after the draft customs law is adopted.		
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	ANSA completed its review and shared the Dari law with track changes with ATAR. ATAR reviewed the draft for WTO conformity and provided it to ANSA for comment in January 2015.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	The Council of Ministers approved the draft in September 2014. The Council submitted the draft to MOJ for Pashto translation. MOJ translated the draft to Pashto and submitted it to Parliament in January 2015.	Ministry of Justice	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	The draft is under the technical review of MOJ's Education, Culture, and Health Department. ATAR is assisting MOJ to finalize this law and submit it to the MOJ Executive Committee for review.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During the reporting period, ATAR assisted MOJ's Finance and Economic Department in conducting working group meetings to finalize the review of this law and ready it for submission to MOJ's Executive Committee. Once ATAR and MOJ finalize additional changes, the draft will be sent to MOJ's Executive Committee for final review before submission to the Council of Ministers.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	An article has been inserted into the law to establish a patent board. MOJ is making efforts to send the patent law with an official letter to the Council of Ministers to be reviewed by the President.	Council of Ministers	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	On Feb. 10, 2015, the President endorsed the trademark law, and it has been sent to MOJ for publication.	President	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Legislative Committee of the Council of Ministers approved the draft, instructing MOJ to check certain terms. The Afghanistan Development and Peace Research Organization proposed changes and met with the Second Vice President, who asked MOJ to take the comments into account. MOJ asked ATAR to check if the amendments are WTO consistent. Some violate WTO, and ATAR is	Council of Ministers	Yes

			discussing with the organization.		
12	Law on Indication of Production Place	MOCI Wali Faqirzaad Polly Maier	On Dec. 17, 2014, the Lower House approved the law, which was sent to the Upper House. On Jan. 5, 2015, a session was held on the law at the Commission of Religious Affairs, Cultural and Higher Education of the Upper House. On Jan. 6, a session was held at the National Economic, Financial and Budgeting Commission. Comments are being compiled and will be presented at a General Session.	Parliament	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	On Feb. 4, 2015, MOJ's Executive Board held a second working group meeting. Participants reviewed ten articles.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code	MOCI Wali Faqirzaad Polly Maier	On Feb. 9, 2015, MOJ held its first working group meeting on draft amendments of the civil procedure code with representative of the Supreme Court of Afghanistan. On Feb.16, 2015, MOJ conducted its second working group. In close consultation with the Supreme Court, MOJ decided both laws – the civil procedural code and the commercial procedure code – should be jointly reviewed. ATAR will support this at the next meeting on March 1.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	In January 2015, ATAR assisted MOJ in the first review of the draft at MOJ's Commercial and Private Sector Department.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	ATAR is assisting MOJ to provide clarification on the law and put it on the agenda for next year.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi Polly Maier	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments (unrelated to WTO). MOJ is working on the revised draft. The draft is ready for submission to the MOJ executive committee.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. On Nov. 2, 2014, ATAR conducted a workshop at MAIL to improve understanding of the law and discuss the impact assessment.	Sponsoring Ministry	No
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	On Feb. 28, 2015, ATAR provided clarification on revision of the draft law to MOJ's Executive Board.	Ministry of Justice	Yes

20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	On Feb. 8, 2015, MOJ's Executive Committee held it first meeting on the draft law. ATAR participated in this meeting and assisted MOJ's Executive Committee in understanding the draft and ensuring compliance with WTO.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	The Afghanistan Revenue Department (ARD) said the draft was finalized and submitted to MOJ. MOJ said it did not receive the draft.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	MOJ's Finance and Economic Department started technical review the law. ATAR is working with MOJ to finalize the law.	Ministry of Justice	No
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on August 11. The law is published into the official gazette.	Entry into Force	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Geographical indications law: In support of implementation of the geographical indications law, ATAR prepared training material that covers the law's objectives and application for the registration of geographical indications. ATAR will deliver trainings on the draft law to MOCI's Afghanistan Commercial Business Registry for Intellectual Property (ACBR-IP) staff and private-sector representatives in March.

ATAR also discussed with MOCI's ACBR-IP the organization of a registrar of geographical indications and discussed draft regulations for implementation of the law.

Geographical indications are place names or words associated with a place used to identify products that come from those places and have those characteristics. The geographical indications law restricts the use

of the geographic indications for the purpose of identifying a particular type of product unless the product originates from a particular area or meets certain standards.

Trademarks Law: In support of implementation of the trademark law, ATAR delivered, in partnership with MOCI's ACBR-IP, two trademark trainings to the private sector and two trademark trainings to the legal community. Eighty-nine people, including 39 women, attended the events.

On Feb. 8, ATAR and ACBR-IP held a one-day training titled "Awareness Training Seminar on Trademarks for the Private Sector." The seminar, delivered to 25 members of the private sector, raised awareness of trademarks.

On Feb. 9, ATAR and ACBR-IP held a one-day training called "Procedure for Trademarks Registration" for 37 members of the private sector. This seminar explained how to apply for trademark registration.



ATAR gave trademark training to the private sector and legal community in preparation for implementation of the law on trademarks.

On Feb. 10, ATAR and ACBR-IP held a one-day training called "Trademarks for the Legal Community" for 20 members of the legal community. The training explained the legal aspects of trademarks and helped participants understand the importance of trademarks and the trademark law.

On Feb. 22, ATAR delivered a one-day training called "Trademarks for Justices" to six judges, including one woman, and one public prosecutor in Kabul. The training focused on the legal and interpretational aspects of trademarks; the meaning of intellectual property; and the function and types of trademarks. The training helped the judges understand the importance of the trademark law in terms of economic development and consumer interest and to understand provisions of the law.

International intellectual property conventions: In February, ATAR began translation of the Paris Convention for the Protection of Industrial Property, the Madrid Protocol relating to the Madrid Agreement Concerning the International Registration of Marks, and the Singapore Treaty on the Law of Trademarks.

The translations are part of ATAR's assistance to the Afghan government in the preparation and submission of applications for membership to the agreements. Afghanistan joined the World Intellectual Property Organization (WIPO), the requirements of which are linked to WTO, in September 2005. For WTO membership, Afghanistan is expected to join certain WIPO-administered conventions.

Agriculture and plant health course: In the first half of February, ATAR worked with Kabul University to finalize a curriculum for a course called "Afghanistan's Agriculture Import/Export Markets and Plant Health Standards."

In August 2014, ATAR received the commitment of MAIL's Plant Protection and Quarantine Department (PPQD) and Kabul University's Faculty of Agriculture to establish the course as well as the commitment of PPQD to work with the Ministry of Higher Education to formally adopt the course as part of the official curriculum of the Faculty of Agriculture.

As part of WTO requirements, Afghanistan must pass and implement sanitary and phytosanitary laws, including the plant protection and quarantine law; the course would help to provide Afghanistan with the specialists needed to implement the law.

Food safety course: In the latter half of February, ATAR met with professors from Kabul University and the National Agricultural Education College to identify topics for inclusion in a course called "Introduction to Food Safety.

In August 2014, MOPH and Kabul University's Faculty of Veterinary Science agreed on the course, and MOPH said it would work with the Ministry of Higher Education to formally adopt the course as part of the official curriculum of the Faculty of Veterinary Science. The course would help provide Afghanistan with specialists to implement the food safety law required under WTO.

Food safety law and procedures: ATAR supported MOPH in conducting three working group meetings in February to review the procedure on food category systems to support the draft food safety law. Participants included representatives of MOPH, MOCI, the National Environmental Protection Agency (NEPA), EPAA, ANSA, the private sector, and Kabul University.

ATAR also worked with MOPH to plan for a working group that would help develop a national food control authority responsible for enforcing requirements of the food safety law. ATAR shared the draft functional statement for the proposed food control authority with MOPH.

Veterinary procedures: During February, ATAR assisted MAIL's Animal Health Directorate in conducting five working group meetings in support of the law on animal health and veterinary public health. The working group meetings focused on reviewing a draft animal health regulation, procedures in support of the draft animal health regulation, and the veterinary control of import and export regulation.

ATAR also facilitated two roundtable discussions in support of the law on animal health and veterinary public health. On Feb. 22, ATAR supported a roundtable with importers of animal products and managers of MAIL's Animal Health Directorate on the impact of risk analysis and sanitary measures for imported animals and animal products. On Feb. 23, ATAR supported a roundtable for managers of MAIL's Animal Health Directorate and livestock managers on the draft model animal health regulation; ATAR followed this roundtable with two days of training for the same group of participants on administrative procedures of the veterinary authority, disease surveillance, and disease prevention and control.



ATAR assisted MAIL's Animal Health Department in conducting working group meetings in support of the law on animal health and veterinary public health.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

ANSA food testing laboratory: ATAR assisted ANSA in developing documentation needed to operate its food testing laboratory, including drafting standard operating procedures (SOPs) based on international standards for specific product tests as well as the procedures for a quality manual in accordance with the International Organization for Standardization (ISO). Preparation of the documents, which is required for accreditation of ANSA's food testing laboratory, will continue for several weeks.

ATAR also visited the veterinary testing laboratory of MAIL to identify local facilities or staff that can share technical experience with the staff of ANSA and MOPH food laboratories for the benefit of all three labs. This is important due to the challenge in finding local university graduates who have experience in or exposure to laboratory testing.



ATAR provided training on best laboratory practices to ANSA staff.

In support of operation of the food laboratory, ATAR conducted training on Feb. 18 called "Best Practices of Laboratory Skills and Operations" for 11 technical staff from ANSA's food laboratory, MOPH food laboratory, and MAIL's veterinary laboratory. In addition, ATAR made several visits to ANSA to finalize immediate equipment and supply requirements for its food testing laboratory.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

Post-accession WTO Unit: ATAR continued drafting a white paper outlining the terms of reference for MOCI's WTO Unit to handle post-accession matters. The paper will include proposed functions of the WTO Unit, job descriptions, and qualification requirements, and a staff retention and technical sustainability plan.

6. Building Analytical Capacity

TPAU: ATAR guided MOCI's Trade Policy Analysis Unit (TPAU) in the estimated impact of the implementation of the South Asian Free Trade Area (SAFTA) agreement.

Since SAFTA's full implementation in August 2011, Afghanistan's exports to SAFTA countries almost doubled. Exports to SAFTA countries increased more than 30 percent in 2014 alone, contributing .9 percent to the growth of Afghanistan's gross domestic product and improving the trade balance by about $230 million.



Statistics and analysis training: On Feb. 2-3 and Feb. 9-10, ATAR held four trainings at the Central Statistics Organization (CSO) in partnership with three staff members from TPAU. These trainings focused on the application of software in statistics and analysis to help eliminate discrepancies in the reporting of data by ACD, MAIL, EPAA, and CSO.

About 30 participants from these counterparts are registered for these trainings. Participants are studying methods of collection, verification, modification, maintenance, and analysis of trade and other economic data used for economic and trade policy analysis.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Continue supporting development of regulations, and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue to work with MAIL to advance development of implementing regulations and procedures for the law on plant protection and the law on animal health
- Continue support for applying to intellectual property conventions
- Continue capacity building for implementation of geographical indications
- Launch preparation of draft procedural guidelines for the advance rulings unit
- Launch review of regulations on customs arbitration
- Continue work on terms of reference for MOCI's WTO unit in a post-accession environment
- Continue work on needs assessment for TPAU
- Develop an action plan for ANSA food testing laboratory based on gap analysis
- Facilitate and organize a study tour of an ISO 9001-certified company in Kabul

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

1. Afghanistan

Gulfood: In partnership with EPAA and USAID's Commercial Horticulture and Agriculture Program (CHAMP), ATAR organized the Afghan pavilion at Gulfood 2015 held from Feb. 8-12 in Dubai. The 16 Afghan participants reported more than $2.3 million in confirmed deals and $5.9 million in potential deals. Four of the participants visited the Dubai wholesale market and agreed with wholesale buyers to supply Afghan fresh fruit to Dubai wholesale markets in the upcoming season.



ATAR worked with EPAA and CHAMP to support the participation of Afghan traders in Gulfood in Dubai. The traders had millions in confirmed and potential deals.

Promoting Afghan exports to South Asia: ATAR began working with EPAA to organize a seminar called "Promoting Afghan Exports to South Asia – Opportunities and Challenges" in Kabul. This seminar is expected to take place in the second week of March and will focus on helping the Afghan government and traders increase exports of fresh fruit, dried fruit and nuts, carpet, gemstones, and marble to South Asian countries.

Kabul investment conference: ATAR began working with the Federation of Indian Chambers of Commerce and Industry (FICCI), its Central Asian offices, and the Indian Embassy to organize an investment conference in Kabul in September 2015. South and Central Asian businesses will participate in the conference, which will include business-to-business matchmaking events.

Export fund: ATAR developed the concept of an export fund for EPAA that would provide financial and non-financial benefits to build the capacity of Afghan exporters and help increase Afghanistan's exports.

On Feb. 18, ATAR conducted a roundtable on the fund for representatives from MOCI and EPAA. Based on the recommendation of the participants, ATAR also worked with EPAA to promote the idea and presented the concept to Harakat, an Afghan organization that works to improve Afghanistan's business

environment. ATAR will schedule meetings with International Finance Corp. (IFC), the Department for International Development (DFID), and others.

The objective of the export fund is to support Afghanistan exports through financial and technical assistance to develop competitive products, create jobs, and attract investment. The proposed fund would help Afghans conduct or participate in exhibitions and provide export guarantee benefits to financial institutions to enhance access to affordable financing by exporters. ATAR suggested a separate board to manage the fund, with the EPAA chief executive officer being a member of the board.

Separately, on Feb 25, ATAR met with the head of corporate finance of the Afghanistan International Bank (AIB) to discuss AIB's potential support for Afghan exporters. AIB is considering signing a memorandum of understanding under which the bank will extend support to exporters based on preferential rates and export loan requirements.

Wheat flour vitamin fortification working meeting: ATAR participated in a wheat flour vitamin fortification working meeting in Almaty, Kazakhstan, on Feb. 8-10 with the USAID Mission for Central Asia and the Global Alliance for Improved Nutrition (GAIN).

The group discussed strategies for harmonization of wheat flour fortification specifications throughout Central Asia, Pakistan, and Afghanistan. The participants reviewed and finalized educational material and presentations and discussed harmonization strategies and public messages.

The group met with three representatives from the European Bank for Reconstruction and Development (EBRD) and learned of the bank's funding and business management efforts with flour millers in the region.

On the final day, ATAR presented research results to about 30 USAID officials, GAIN representatives and other interested parties during a video conference among USAID regional offices from Afghanistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan followed by discussion and plans. A regional conference on the flour fortification initiative is planned for the spring and will include private-sector representatives, government officials, and USAID officials.

In the second half of February, ATAR further revised the fortified wheat flour study taking into account input provided regarding the situation in Uzbekistan.

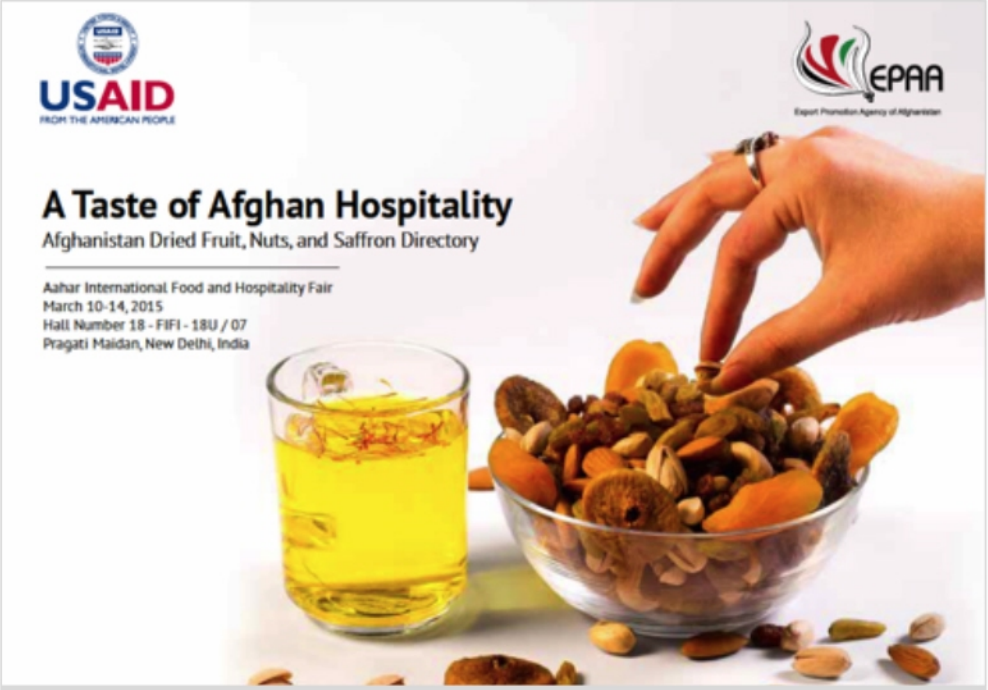
Marble association: In the latter half of February, ARA worked with the Afghan Marble Association (AMA) to discuss a recently imposed ban on the export of marble blocks and its effect on Afghanistan's marble industry. ATAR advised the marble association to draft a petition to the Afghan government highlighting the export potential of marble blocks and investment prospect in marble extraction. The AMA took up the issue with President Ghani's office to remove the ban.

ATAR also began working with the AMA to organize training in marble cutting and polishing and the repair of machinery for engineers and managers working in quarries and cutting and polishing factories in Afghanistan. This training, scheduled to begin on March 28 in Gujarat, India, will improve skills of Afghan engineers to produce better finished marble in the country. Ten Afghans from different provinces

are expected to participate. This training is being coordinated with FICCI and USAID's Finance Access for Investing in the Development of Afghanistan (FAIDA) project.

Carpet exporters: ATAR is working with EPAA, USAID's Assistance in Building Afghanistan by Developing Enterprises (ABADE) program, and the Afghanistan Carpet Exporters' Guild to promote Afghan carpets to the international market. ATAR introduced six carpet producers to ABADE, which is organizing an export readiness program for the carpet sector. This program will be followed by a business-to-business matchmaking event in which overseas buyers will participate.

Participation in Aahar: ATAR worked with EPAA to prepare for the participation of 11 Afghan agribusinesses in the Aahar International Food and Hospitality Show in New Delhi, India, on March 10-14.



ATAR prepared marketing materials in support of Afghanistan's participation in an India food exhibition.

ATAR assisted EPAA in identifying Afghan exhibitors who could benefit from participation in the show. ATAR conducted two training sessions for participants and designed the pavilion and created marketing materials.

Export promotion strategies: ATAR developed product-specific export promotion strategies for Afghan products for India. This strategy paper contains an analysis of six products – almonds, raisins, figs, dried apricots, pistachios, and saffron – includes product description, global market overview, market, and proposed branding strategies for each of the products. ATAR also developed a planning document for the development of a national export strategy of Afghanistan and provided it to EPAA for approval.

PATTTA roundtable: ATAR and MOCI participated in a PATTTA roundtable in February at MOCI. Participants reviewed the Afghanistan Pakistan Transit and Trade Agreement (APTTA) and develop proposed alternatives and official negotiating positions for Afghanistan for the upcoming PATTTA negotiations scheduled for mid-March in Dushanbe, Tajikistan.

ATAR is drafting talking points and position papers and amending the APTTA agreement consistent with input received during the roundtable. Participants included MOCI's Director General of Trade and representatives of ACD, the Ministry of Foreign Affairs, the Ministry of Transportation and Civil Aviation, and other officials.

SAFTA preparations: ATAR began assisting MOCI in organizing the next South Asian Free Trade Area (SAFTA) agreement ministerial and expert meeting in Kabul from August 3-5. ATAR will assist MOCI in developing an agenda, background paper, and other communication materials for this event. ATAR was requested by the MOCI to support accommodation of foreign delegates that will attend the ministerial and expert meeting.

Trade and transit trade problems between Afghanistan and Pakistan: At the request of MOCI, ATAR supported the development of two notes summarizing respectively trade and transit trade problems with Pakistan. MOCI will share the two notes with the President for discussion with Pakistan.

2. Kyrgyz Republic

CBTA: During the first half of February, ATAR met with the Deputy Minister of Transport and Communications to discuss the ratification of the Afghanistan protocol to the Cross-Border Transport Agreement-Corridor 5 (CBTA-5) between Afghanistan, the Kyrgyz Republic, and Tajikistan.

The Deputy Minister outlined the process for ratification and did not indicate that the Ministry would not pursue ratification once they receive the signed text of Afghanistan's protocol of accession from the Ministry of Foreign Affairs. ATAR presented the Deputy Minister with a white paper outlining the benefits of ratifying the Afghanistan protocol.

ATAR later met with Ministry of Foreign Affairs to determine whether the document had been sent to the Ministry of Transport. The Ministry of Foreign Affairs said it sent the protocol to the Ministry of Transport and Communications after receiving it from Afghanistan in December. In the latter half of February, the Ministry of Foreign Affairs followed up and sent a letter to the Ministry of Transport and Communications requesting information on the location of the protocol; the Ministry of Foreign Affairs has not yet received a response.

WTO TFA: ATAR prepared a draft agenda for a roundtable discussion of implementation of the WTO's Trade Facilitation Agreement (TFA) and discussed it with the Ministry of Economy. The agenda includes a review of ATAR's TFA assessment, recommendations on the composition of a national trade facilitation committee, and a look at the timeline for required WTO reporting. ATAR also made recommendations on participants for a TFA roundtable to be held in the second half of March.

3. Tajikistan

Support to the State Customs Service: ATAR assisted with the installation of a risk information database at three customs stations in Dushanbe identified as crucial links for expanding information flow to the risk management unit: the airport freight office, the railway freight yard, and the international post office.

ATAR complimented each installation by providing on-the-job training for customs staff and delivered a paper on identification of information, mechanisms for collection, analysis, and dissemination, and data collection principles. ATAR developed the risk information database, which offers centralized collection of information relating to compliance and enables effective risk management.

Mutual exchange of risk management information: ATAR drafted an agreement on mutual exchange of risk management information in customs matters and proposed the agreement for the trilateral adoption of the Afghanistan Customs Department (ACD), the Tajikistan State Customs Service, and the Kyrgyzstan Customs Service.

ATAR presented the draft agreement to the Tajikistan Customs Service and is awaiting feedback. The agreement is intended to strengthen customs-to-customs cooperation in the exchange of information for customs risk management and will help promote regional and international trade.

ATAR developed job descriptions for Tajikistan's risk management unit and proposed a training plan for the unit. The proposals are being translated prior to presentation to the Tajik State Customs Service.

ATAR, in conjunction with the GIZ's Regional Trade Facilitation project, delivered an analysis of the review of the One Stop concept implemented at the Nijni Panj border crossing point in November 2014, including re-engineered business process proposals and recommendations to improve inter-agency relationships, goods clearance procedures, and infrastructure support at the site.

PATTTA awareness: In February, ATAR delivered two awareness sessions in Tajikistan for the public and private sector to discuss the proposed PATTA.



ATAR held two awareness sessions to discuss a proposed transit and trade agreement between Afghanistan, Pakistan, and Tajikistan.

On Feb. 25, ATAR delivered an awareness session in the Ministry of Economic Development and Trade (MEDT) hosted by Association of International Transport Operators of Tajikistan (ABBAT) for 15 participants and delivered an awareness session on Feb. 26 at the Association of International Transport

Operators of Tajikistan (ABBAT) for 17 particpants. Participants included representatives from transport companies, the Tajik customs service, the Ministry of Transport, MEDT, and donor projects.

The sessions focused on the provisions of the proposal and benefits of PATTTA's adoption. ATAR encouraged the participants to incorporate their proposals into the final version of PATTTA.

4. Turkmenistan

WTO TFA: ATAR continued assessing the conformity of Turkmenistan with the WTO TFA. ATAR met with a transportation and logistics company, a customs broker, lawyers, and a private customs services provider for clarification on customs operations.

WTO/WCO customs assessment: ATAR completed the translation of the assessment of the Turkmen customs code with WTO agreements and the World Customs Organization (WCO) Revised Kyoto Convention and shared the Russian version with USAID/Ashgabat.

ATAR submitted the assessment with a cover letter to USAID Turkmenistan, which will submit it to the Ministry of Foreign Affairs of Turkmenistan. ATAR proposed technical assistance to the State Turkmen Customs Service to discuss and making the changes in the Turkmen code to align it with the WCO Revised Kyoto Convention and WTO customs-related agreements and to deliver related seminars.

Support to Export Promotion Institute: In response to interest from the Turkmen Export Promotion Institute on USAID's export promotion support, ATAR provided a note highlighting USAID activities in neighboring countries related to export promotion and development and suggestions for initial support for the Turkmen Export Promotion Institute. USAID sent the note to the institute.

Turkmen construction exhibition: ATAR planned for the participation of Afghan marble businesses in the 8th international "Turkmen Construction 2015" exhibition in Ashgabat from August 27-29.

5. Uzbekistan

Route study: ATAR continued planning a study to assess alternative routes for linking Tashkent with New Delhi and the Arabian Sea. This study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan.

Regional customs workshop: ATAR continued to assess the possibility of a regional customs workshop in Tashkent involving the Kyrgyz Republic, Tajikistan, Uzbekistan, Turkmenistan, Afghanistan, India, and Pakistan. The workshop would cover customs valuation, risk management, electronic payment, post-clearance audit, authorized economic operators, and electronic data interchange.

Customs training: ATAR prepared an outline for one week of training on customs risk management and authorized economic operators to be delivered to Uzbek customs. The outline was shared with USAID/Tashkent for further transmission through a diplomatic note to Uzbek authorities.

Donor meetings: During this reporting period, ATAR followed up on donor meetings held in January and requested a meeting with the Uzbek Chamber of Commerce and Industry.

Cross-Cutting

APTTA extension study: ATAR completed an impact assessment on extending APTTA to Tajikistan and India.

Trade route mapping study: ATAR began to plan a route-mapping study between Uzbekistan and India via Afghanistan and Pakistan.

Regional comparative advantage/trade complementarity study: ATAR continued working on an analysis to assess regional comparative advantage and trade complementarity and identify viable value chains. ATAR has secured two sets of international trade data in support of this study.

Component 2: Looking Forward

- Launch support for decisions made during the fifth APTTCA meeting
- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Facilitate the development of a Memorandum of Understanding (MOU) on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Discuss with the Organization for Security and Cooperation in Europe (OSCE) and Asian Development Bank the possibility of co-sponsoring a regional train-the-trainers on customs valuation at the Kyrgyz Training Institute
- Continue to promote the MOU between regional chambers of commerce on establishing a platform for cooperation
- Support the Tajikistan State Customs Service on the National Strategy for Integrated Border Management following the implementation of the "one stop shop" on a nation-wide basis
- Continue to build capacity for managing customs risks within the Tajik customs encouraging adoption and full usage of a risk management database developed by ATAR
- Continue to develop PATTTA awareness materials for discussion with the Tajikistan MEDT
- Identify an export development topic and develop materials for presentation to public sector through the Tajikistan Chamber of Commerce and Industries
- Continue to support the review of the Tajikistan national transport codes and support the review of such to include the legal provision for cross-border transshipment without visa
- Continue a regional study on comparative advantages and trade complementarity
- Launch trade route mapping study linking Uzbekistan and India and Arabian Sea
- Launch free economic zones assessment

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

Internal audit unit: In consultation with ACD, ATAR finalized the draft policy and procedure manual for the implementation and operation of an Internal Audit Unit (IAU) in ACD. The policy and procedures are in line with international standards outlined within the Chartered Institute of Internal Auditors and associated standards contained within the "Standards for the Professional Practice of Internal Auditing."

The IAU will assess compliance with strategic, operational, and tactical policies, processes, and procedures undertaken by ACD at the headquarters and regional level. As well as identifying unnecessary burdens to trade or procedural inefficiencies, the IAU will be responsible for identifying systematic abuse of existing systems. Where necessary, the IAU will draft revised operating procedures to minimize opportunities for illicit activities.

Customs policies: ATAR continued throughout February to support ACD's Director of Legislation in a review of customs regulations and procedures to ensure they are aligned with international standards. This included ongoing technical assistance in warehousing and licensing regulations.

Risk management systems: ATAR continued to monitor ACD's risk management in the regions, including Hamid Karzai International Airport (HKIA) and Kabul Inland Clearance Depot (KICD). ATAR developed a template for a weekly compliance snapshot that will allow ACD management to closely monitor regional compliance and performance data. ATAR will introduce the weekly compliance snapshot in March.

The snapshot will provide ACD management with a summary of compliance and performance data for ICDs at Hairatan, Herat, Jalalabad, HKIA, Kabul, and Kandahar. This data includes risk management information that identifies ACD compliance with the policy; number of infractions; any additional revenue following selectivity controls and lane selectivity percentages; average clearance times per selectivity lane; and compliance with the national streamlined procedures blueprint.

Mobile Verification Teams: ACD's Mobile Verification Team (MVT) Manager requested that ATAR to provide technical training for MVT staff. ATAR will develop training in basic anti-smuggling, search of trucks, and examination of consignment and anticipates the training will be delivered by the Afghanistan National Customs Academy (ANCA) and experienced MVT staff.

E-Pay: ATAR met with ACD and Da Afghanistan Bank (DAB) to discuss roadblocks to the implementation of the electronic payment of customs duties, or E-Pay.

ACD outlined its concerns, and DAB said it would assist in assuming responsibility for certain procedural requirements where appropriate. Participants agreed that ACD's Operation Director would follow up the

meeting by emailing a list of specific concerns to DAB, including providing proposed solutions. ATAR assisted ACD in drafting the concerns.

In the second half of February, ACD submitted its list of specific concerns and solutions; DAB has confirmed receipt and will reply in due course.

Streamlined customs procedures: ATAR customs specialists in the regions and Kabul continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures.

ATAR observed that extra steps have been implemented at various locations. Though some progress has been made in reversing some of these additions through discussions with regional management, intervention by ACD's Director General may be necessary in some cases.

Going forward, ATAR will compile a weekly summary of streamlined procedure compliance for ICDs at Kabul, HKIA, Jalalabad, Herat and Hairatan for ACD senior management. This summary will include an annex that identifies exactly which steps are non-compliant and the reasons why.

ANCA support: In the first half of February, ATAR delivered two trainings to ANCA trainers on how to develop presentation templates and themes. This included the creation and use of appropriate visual aids, such as graphs and charts within PowerPoint.

ATAR continued drafting an instruction manual for the ANCA shared drive and version control of documents, updating course material, and drafting new training materials. ATAR finalized a training module on valuation fraud and is translating the module into Dari. The module can be used independently or as part of the technical valuation course that is being developed. ATAR is also developing an airport training module for customs officers at the request of the Balkh Regional Director; this module can be used independently or as part of the customs enforcement curriculum.

Post clearance audit: ATAR met with ACD's Director of Operations and the Post Clearance Audit (PCA) Team Manager to assist in the drafting of a gap analysis that would detail the current status of Afghanistan's PCA and what is required to meet international best practices.

The PCA process is a structured examination of a business' commercial systems, sales contracts, financial and non-financial records, physical stock, and other assets to measure and improve compliance.

Intern program: ATAR continued to support the ACD internship program through regular meetings and daily workplace support.

Component 3: Looking Forward

- Continue regional work with ACD

- Monitor DAB's response to ACD concerns about E-Pay
- Continue to assist ACD in reviewing regulations and procedures, including warehousing and licensing regulations
- Continue to support ANCA in reviewing training material and developing new material
- Continue to support ANCA to deliver English language courses if the security situation allows
- Continue implementation of the enforcement plan
- Implement the weekly compliance snapshot template and start providing ACD management with weekly compliance and performance data
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency
- Following a request from the Balkh Regional Director, provide local assistance for one week at the Mazar International Airport include identifying opportunities for streamlining import procedures, improving risk management operations, and gaps in training skills
- Develop airport training course for customs officers at Mazar International Airport
- Draft and submit a post-clearance audit gap analysis.
- Start the development of relevant policies, procedures, and training materials in support of implementing a professional post clearance audit function

ATAR Rolling Calendar

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
March 3	**Seminar on trade finance**	**Acting Minister of Commerce and Industries (anticipated), traders, EPAA**	**Kabul, Afghanistan**	**C2**
March 9-10	**Bilateral PATTTA discussions**	**Afghan, Tajik officials**	**Dushanbe, Tajikistan**	**C2**
March 10-14	Aahar International Food and Hospitality Fair	Traders, EPAA, ATAR	New Delhi, India	C2
May 26-Oct. 29	India Pharma Export	EPAA, businesspeople	Mumbai, India	C2
May 1-Oct. 31	Export Milano	EPAA	Milan, Italy	C2

- Bold items indicate the possible presence of high-level officials or media.

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FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project

Monthly Report (Feb. 1–28, 2015)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also has a presence in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan and activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

Feb. 1-28 Highlights

- In partnership with the Export Promotion Agency of Afghanistan (EPAA) and USAID's Commercial Horticulture and Agriculture Program (CHAMP), ATAR supported Afghanistan's participation in Gulfood 2015 on Feb. 8-13 in Dubai. The sixteen Afghan participants reported more than $2.3 million in confirmed deals and $5.9 million in potential deal.
- ATAR supported two awareness sessions in Dushanbe, Tajikistan, on Feb. 25 and Feb. 26 for the private and public sector on the proposed Pakistan Afghanistan Tajikistan Transit and Trade Agreement (PATTTA).
- President Ashraf Ghani ratified the amendments to the Trademarks Law, which will soon be published in the official gazette for entry into force. The Trademarks Law is part of a set of laws that the WTO requires of its members to ensure strong protection of intellectual property rights.
- In support of implementation of the Trademarks Law, ATAR delivered, in partnership with MOCI's Afghanistan Commercial Business Registry for Intellectual Property (ACBR-IP), two trademark trainings to the private sector and two trademark trainings to the legal community. Eighty-nine people, including 39 women, attended the events.
- ATAR guided MOCI's Trade Policy Analysis Unit (TPAU) in the estimated impact of the implementation of the South Asian Free Trade Area (SAFTA) agreement. Since SAFTA's full implementation in August 2011, Afghanistan's exports to SAFTA countries have almost doubled.

Key Upcoming Events

- ATAR will support bilateral consultations between Afghanistan and Tajikistan in Dushanbe regarding the proposed PATTTA in Tajikistan on March 9-10.
- ATAR will hold a seminar on trade finance in partnership with EPAA on March 3 in Kabul.
- ATAR will work with EPAA to support Afghan dried fruit, nut, and saffron traders in the Aahar International Food and Hospitality Fair on March 1-14 in New Delhi, India.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: The fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government.

2. Legislative Reforms for WTO Conformity

WTO-related laws: In February, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table provides the status of WTO-related legislative items as of the end of February. ATAR's active areas of support for the month are in light blue.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws and Regulations Included in MOJ 1393[3] Agenda[4]
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	In the second half of 2014, ATAR worked with ACD to finalize the draft; the draft has been submitted to the Director General for approval. ATAR is following up with the	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] The solar year 1393 covers the Gregorian year March 21, 2014, through March 20, 2015.
[4] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

			Director General. The Minister of Finance will adopt the procedure after the draft customs law is adopted.		
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	ANSA completed its review and shared the Dari law with track changes with ATAR. ATAR reviewed the draft for WTO conformity and provided it to ANSA for comment in January 2015.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	The Council of Ministers approved the draft in September 2014. The Council submitted the draft to MOJ for Pashto translation. MOJ translated the draft to Pashto and submitted it to Parliament in January 2015.	Ministry of Justice	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	The draft is under the technical review of MOJ's Education, Culture, and Health Department. ATAR is assisting MOJ to finalize this law and submit it to the MOJ Executive Committee for review.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During the reporting period, ATAR assisted MOJ's Finance and Economic Department in conducting working group meetings to finalize the review of this law and ready it for submission to MOJ's Executive Committee. Once ATAR and MOJ finalize additional changes, the draft will be sent to MOJ's Executive Committee for final review before submission to the Council of Ministers.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	An article has been inserted into the law to establish a patent board. MOJ is making efforts to send the patent law with an official letter to the Council of Ministers to be reviewed by the President.	Council of Ministers	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	On Feb. 10, 2015, the President endorsed the trademark law, and it has been sent to MOJ for publication.	President	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Legislative Committee of the Council of Ministers approved the draft, instructing MOJ to check certain terms. The Afghanistan Development and Peace Research Organization proposed changes and met with the Second Vice President, who asked MOJ to take the comments into account. MOJ asked ATAR to check if the amendments are WTO consistent. Some violate WTO, and ATAR is	Council of Ministers	Yes

			discussing with the organization.		
12	Law on Indication of Production Place	MOCI Wali Faqirzaad Polly Maier	On Dec. 17, 2014, the Lower House approved the law, which was sent to the Upper House. On Jan. 5, 2015, a session was held on the law at the Commission of Religious Affairs, Cultural and Higher Education of the Upper House. On Jan. 6, a session was held at the National Economic, Financial and Budgeting Commission. Comments are being compiled and will be presented at a General Session.	Parliament	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	On Feb. 4, 2015, MOJ's Executive Board held a second working group meeting. Participants reviewed ten articles.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code	MOCI Wali Faqirzaad Polly Maier	On Feb. 9, 2015, MOJ held its first working group meeting on draft amendments of the civil procedure code with representative of the Supreme Court of Afghanistan. On Feb.16, 2015, MOJ conducted its second working group. In close consultation with the Supreme Court, MOJ decided both laws – the civil procedural code and the commercial procedure code – should be jointly reviewed. ATAR will support this at the next meeting on March 1.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	In January 2015, ATAR assisted MOJ in the first review of the draft at MOJ's Commercial and Private Sector Department.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	ATAR is assisting MOJ to provide clarification on the law and put it on the agenda for next year.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi Polly Maier	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments (unrelated to WTO). MOJ is working on the revised draft. The draft is ready for submission to the MOJ executive committee.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. On Nov. 2, 2014, ATAR conducted a workshop at MAIL to improve understanding of the law and discuss the impact assessment.	Sponsoring Ministry	No
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	On Feb. 28, 2015, ATAR provided clarification on revision of the draft law to MOJ's Executive Board.	Ministry of Justice	Yes

20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	On Feb. 8, 2015, MOJ's Executive Committee held it first meeting on the draft law. ATAR participated in this meeting and assisted MOJ's Executive Committee in understanding the draft and ensuring compliance with WTO.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	The Afghanistan Revenue Department (ARD) said the draft was finalized and submitted to MOJ. MOJ said it did not receive the draft.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	MOJ's Finance and Economic Department started technical review the law. ATAR is working with MOJ to finalize the law.	Ministry of Justice	No
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on August 11. The law is published into the official gazette.	Entry into Force	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Geographical indications law: In support of implementation of the geographical indications law, ATAR prepared training material that covers the law's objectives and application for the registration of geographical indications. MOCI will deliver trainings on the draft law to government and private-sector representatives in March.

ATAR also discussed with MOCI's Afghanistan Commercial Business Registry for Intellectual Property (ACBR-IP) the organization of a registrar of geographical indications and discussed draft regulations for implementation of the law.

Geographical indications are place names or words associated with a place used to identify products that come from those places and have those characteristics. The geographical indications law restricts the use

of the geographic indications for the purpose of identifying a particular type of product unless the product originates from a particular area or meets certain standards.

Trademarks Law: In support of implementation of the trademark law, ATAR delivered, in partnership with MOCI's ACBR-IP, two trademark trainings to the private sector and two trademark trainings to the legal community. Eighty-nine people, including 39 women, attended the events.

On Feb. 8, ATAR and ACBR-IP held a one-day training titled "Awareness Training Seminar on Trademarks for the Private Sector." The seminar, delivered to 25 members of the private sector, raised awareness of trademarks.

On Feb. 9, ATAR and ACBR-IP held a one-day training called "Procedure for Trademarks Registration" for 37 members of the private sector. This seminar explained how to apply for trademark registration.



ATAR gave trademark training to the private sector and legal community in preparation for implementation of the law on trademarks.

On Feb. 10, ATAR and ACBR-IP held a one-day training called "Trademarks for the Legal Community" for 20 members of the legal community. The training explained the legal aspects of trademarks and helped participants understand the importance of trademarks and the trademark law.

On Feb. 22, ATAR delivered a one-day training called "Trademarks for Justices" to six judges, including one woman, and one public prosecutor in Kabul. The training focused on the legal and interpretational aspects of trademarks; the meaning of intellectual property; and the function and types of trademarks. The training helped the judges understand the importance of the trademark law in terms of economic development and consumer interest and to understand provisions of the law.

International intellectual property conventions: In February, ATAR began translation of the Paris Convention for the Protection of Industrial Property, the Madrid Protocol relating to the Madrid Agreement Concerning the International Registration of Marks, and the Singapore Treaty on the Law of Trademarks.

The translations are part of ATAR's assistance to the Afghan government in the preparation and submission of applications for membership to the agreements. Afghanistan joined the World Intellectual Property Organization (WIPO), the requirements of which are linked to WTO, in September 2005. For WTO membership, Afghanistan is expected to join certain WIPO-administered conventions.

Agriculture and plant health course: In the first half of February, ATAR worked with Kabul University to finalize a curriculum for a course called "Afghanistan's Agriculture Import/Export Markets and Plant Health Standards."

In August 2014, ATAR received the commitment of MAIL's Plant Protection and Quarantine Department (PPQD) and Kabul University's Faculty of Agriculture to establish the course as well as the commitment of PPQD to work with the Ministry of Higher Education to formally adopt the course as part of the official curriculum of the Faculty of Agriculture.

As part of WTO requirements, Afghanistan must pass and implement sanitary and phytosanitary laws, including the plant protection and quarantine law; the course would help to provide Afghanistan with the specialists needed to implement the law.

Food safety course: In the latter half of February, ATAR met with professors from Kabul University and the National Agricultural Education College to identify topics for inclusion in a course called "Introduction to Food Safety.

In August 2014, MOPH and Kabul University's Faculty of Veterinary Science agreed on the course, and MOPH said it would work with the Ministry of Higher Education to formally adopt the course as part of the official curriculum of the Faculty of Veterinary Science. The course would help provide Afghanistan with specialists to implement the food safety law required under WTO.

Food safety law and procedures: ATAR supported MOPH in conducting three working group meetings in February to review the procedure on food category systems to support the draft food safety law. Participants included representatives of MOPH, MOCI, the National Environmental Protection Agency (NEPA), EPAA, ANSA, the private sector, and Kabul University.
ATAR also worked with MOPH to plan for a working group that would help develop a national food control authority responsible for enforcing requirements of the food safety law. ATAR shared the draft functional statement for the proposed food control authority with MOPH.

Veterinary procedures: During February, ATAR assisted MAIL's Animal Health Directorate in conducting five working group meetings in support of the law on animal health and veterinary public health. The working group meetings focused on reviewing a draft animal health regulation, procedures in support of the draft animal health regulation, and the veterinary control of import and export regulation.

ATAR also facilitated two roundtable discussions in support of the law on animal health and veterinary public health. On Feb. 22, ATAR supported a roundtable with importers of animal products and managers of MAIL's Animal Health Directorate on the impact of risk analysis and sanitary measures for imported animals and animal products. On Feb. 23, ATAR supported a roundtable for managers of MAIL's Animal Health Directorate and livestock managers on the draft model animal health regulation; ATAR followed this roundtable with two days of training for the same group of participants on administrative procedures of the veterinary authority, disease surveillance, and disease prevention and control.



ATAR assisted MAIL's Animal Health Department in conducting working group meetings in support of the law on animal health and veterinary public health.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

ANSA food testing laboratory: ATAR assisted ANSA in developing documentation needed to operate its food testing laboratory, including drafting standard operating procedures (SOPs) based on international standards for specific product tests as well as the procedures for a quality manual in accordance with the International Organization for Standardization (ISO). Preparation of the documents, which is required for accreditation of ANSA's food testing laboratory, will continue for several weeks.

ATAR also visited the veterinary testing laboratory of MAIL to identify local facilities or staff that can share technical experience with the staff of ANSA and MOPH food laboratories for the benefit of all three labs. This is important due to the challenge in finding local university graduates who have experience in or exposure to laboratory testing.



ATAR provided training on best laboratory practices to ANSA staff.

In support of operation of the food laboratory, ATAR conducted training on Feb. 18 called "Best Practices of Laboratory Skills and Operations" for 11 technical staff from ANSA's food laboratory, MOPH food laboratory, and MAIL's veterinary laboratory. In addition, ATAR made several visits to ANSA to finalize immediate equipment and supply requirements for its food testing laboratory.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

Post-accession WTO Unit: ATAR continued drafting a white paper outlining the terms of reference for MOCI's WTO Unit to handle post-accession matters. The paper will include proposed functions of the WTO Unit, job descriptions, and qualification requirements, and a staff retention and technical sustainability plan.

6. Building Analytical Capacity

TPAU: ATAR guided MOCI's Trade Policy Analysis Unit (TPAU) in the estimated impact of the implementation of the South Asian Free Trade Area (SAFTA) agreement.

Since SAFTA's full implementation in August 2011, Afghanistan's exports to SAFTA countries almost doubled. Exports to SAFTA countries increased more than 30 percent in 2014 alone, contributing .9 percent to the growth of Afghanistan's gross domestic product and improving the trade balance by about $230 million.



Statistics and analysis training: On Feb. 2-3 and Feb. 9-10, ATAR held four trainings at the Central Statistics Organization (CSO) in partnership with three staff members from TPAU. These trainings focused on the application of software in statistics and analysis to help eliminate discrepancies in the reporting of data by ACD, MAIL, EPAA, and CSO.

About 30 participants from these counterparts are registered for these trainings. Participants are studying methods of collection, verification, modification, maintenance, and analysis of trade and other economic data used for economic and trade policy analysis.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Continue supporting development of regulations, and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue to work with MAIL to advance development of implementing regulations and procedures for the law on plant protection and the law on animal health
- Continue support for applying to intellectual property conventions
- Continue capacity building for implementation of geographical indications
- Launch preparation of draft procedural guidelines for the advance rulings unit
- Launch review of regulations on customs arbitration
- Continue work on terms of reference for MOCI's WTO unit in a post-accession environment
- Continue work on needs assessment for TPAU
- Develop an action plan for ANSA food testing laboratory based on gap analysis
- Facilitate and organize a study tour of an ISO 9001-certified company in Kabul

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

1. Afghanistan

Gulfood: In partnership with EPAA and USAID's Commercial Horticulture and Agriculture Program (CHAMP), ATAR organized the Afghan pavilion at Gulfood 2015 held from Feb. 8-12 in Dubai. The 16 Afghan participants reported more than $2.3 million in confirmed deals and $5.9 million in potential deals. Four of the participants visited the Dubai wholesale market and agreed with wholesale buyers to supply Afghan fresh fruit to Dubai wholesale markets in the upcoming season.



ATAR worked with EPAA and CHAMP to support the participation of Afghan traders in Gulfood in Dubai. The traders had millions in confirmed and potential deals.

Promoting Afghan exports to South Asia: ATAR began working with EPAA to organize a seminar called "Promoting Afghan Exports to South Asia – Opportunities and Challenges" in Kabul. This seminar is expected to take place in the second week of March and will focus on helping the Afghan government and traders increase exports of fresh fruit, dried fruit and nuts, carpet, gemstones, and marble to South Asian countries.

Kabul investment conference: ATAR began working with the Federation of Indian Chambers of Commerce and Industry (FICCI), its Central Asian offices, and the Indian Embassy to organize an investment conference in Kabul in September 2015. South and Central Asian businesses will participate in the conference, which will include business-to-business matchmaking events.

Export fund: ATAR developed the concept of an export fund for EPAA that would provide financial and non-financial benefits to build the capacity of Afghan exporters and help increase Afghanistan's exports.

On Feb. 18, ATAR conducted a roundtable on the fund for representatives from MOCI and EPAA. Based on the recommendation of the participants, ATAR also worked with EPAA to promote the idea and presented the concept to Harakat, an Afghan organization that works to improve Afghanistan's business

environment. ATAR will schedule meetings with International Finance Corp. (IFC), the Department for International Development (DFID), and others.

The objective of the export fund is to support Afghanistan exports through financial and technical assistance to develop competitive products, create jobs, and attract investment. The proposed fund would help Afghans conduct or participate in exhibitions and provide export guarantee benefits to financial institutions to enhance access to affordable financing by exporters. ATAR suggested a separate board to manage the fund, with the EPAA chief executive officer being a member of the board.

Separately, on Feb 25, ATAR met with the head of corporate finance of the Afghanistan International Bank (AIB) to discuss AIB's potential support for Afghan exporters. AIB is considering signing a memorandum of understanding under which the bank will extend support to exporters based on preferential rates and export loan requirements.

Wheat flour vitamin fortification working meeting: ATAR participated in a wheat flour vitamin fortification working meeting in Almaty, Kazakhstan, on Feb. 8-10 with the USAID Mission for Central Asia and the Global Alliance for Improved Nutrition (GAIN).

The group discussed strategies for harmonization of wheat flour fortification specifications throughout Central Asia, Pakistan, and Afghanistan. The participants reviewed and finalized educational material and presentations and discussed harmonization strategies and public messages.

The group met with three representatives from the European Bank for Reconstruction and Development (EBRD) and learned of the bank's funding and business management efforts with flour millers in the region.

On the final day, ATAR presented research results to about 30 USAID officials, GAIN representatives and other interested parties during a video conference among USAID regional offices from Afghanistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan followed by discussion and plans. A regional conference on the flour fortification initiative is planned for the spring and will include private-sector representatives, government officials, and USAID officials.

In the second half of February, ATAR further revised the fortified wheat flour study taking into account input provided regarding the situation in Uzbekistan.

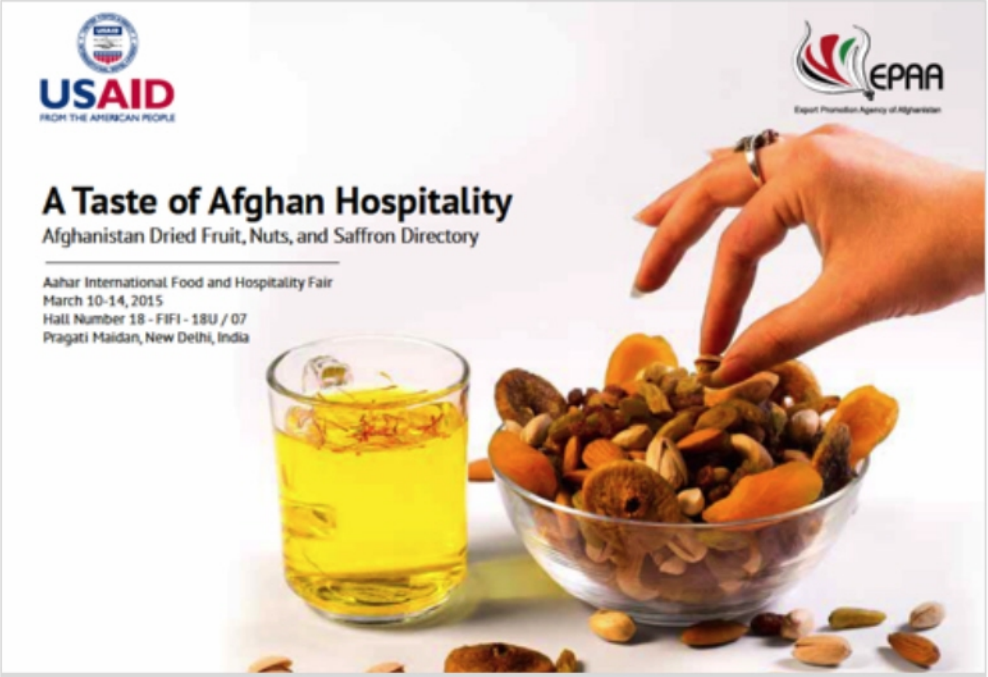
Marble association: In the latter half of February, ARA worked with the Afghan Marble Association (AMA) to discuss a recently imposed ban on the export of marble blocks and its effect on Afghanistan's marble industry. ATAR advised the marble association to draft a petition to the Afghan government highlighting the export potential of marble blocks and investment prospect in marble extraction. The AMA took up the issue with President Ghani's office to remove the ban.

ATAR also began working with the AMA to organize training in marble cutting and polishing and the repair of machinery for engineers and managers working in quarries and cutting and polishing factories in Afghanistan. This training will improve skills of Afghan engineers to produce better finished marble in

the country. This training is being coordinated with FICCI and USAID's Finance Access for Investing in the Development of Afghanistan (FAIDA) project.

Carpet exporters: ATAR is working with EPAA, USAID's Assistance in Building Afghanistan by Developing Enterprises (ABADE) program, and the Afghanistan Carpet Exporters' Guild to promote Afghan carpets to the international market. ATAR introduced six carpet producers to ABADE, which is organizing an export readiness program for the carpet sector. This program will be followed by a business-to-business matchmaking event in which overseas buyers will participate.

Participation in Aahar: ATAR worked with EPAA to prepare for the participation of 11 Afghan agribusinesses in the Aahar International Food and Hospitality Show in New Delhi, India, on March 10-14.



ATAR prepared marketing materials in support of Afghanistan's participation in an India food exhibition.

ATAR assisted EPAA in identifying Afghan exhibitors who could benefit from participation in the show. ATAR conducted two training sessions for participants and designed the pavilion and created marketing materials.

Export promotion strategies: ATAR developed product-specific export promotion strategies for Afghan products for India. This strategy paper contains an analysis of six products and includes product description, global market overview, market, and proposed branding strategies for each of the products. ATAR also developed a planning document for the development of a national export strategy of Afghanistan and provided it to EPAA for approval.

PATTTA roundtable: ATAR and MOCI participated in a PATTTA roundtable in February at MOCI. Participants reviewed the Afghanistan Pakistan Transit and Trade Agreement (APTTA) and develop proposed alternatives and official negotiating positions for Afghanistan for the upcoming PATTTA negotiations scheduled for mid-March in Dushanbe, Tajikistan.

ATAR is drafting talking points and position papers and amending the APTTA agreement consistent with input received during the roundtable. Participants included MOCI's Director General of Trade and

representatives of ACD, the Ministry of Foreign Affairs, the Ministry of Transportation and Civil Aviation, and other officials.

SAFTA preparations: ATAR began assisting MOCI in organizing the next South Asian Free Trade Area (SAFTA) agreement ministerial and expert meeting in Kabul from August 3-5. ATAR will assist MOCI in developing an agenda, background paper, and other communication materials for this event. ATAR was requested by the MOCI to support accommodation of foreign delegates that will attend the ministerial and expert meeting.

Trade and transit trade problems between Afghanistan and Pakistan: At the request of of MOCI, ATAR supported the development of two notes summarizing respectively trade and transit trade problems with Pakistan. MOCI will share the two notes with the President for discussion with Pakistan.

2. Kyrgyz Republic

CBTA: During the first half of February, ATAR met with the Deputy Minister of Transport and Communications to discuss the ratification of the Afghanistan protocol to the Cross-Border Transport Agreement-Corridor 5 (CBTA-5) between Afghanistan, the Kyrgyz Republic, and Tajikistan.

The Deputy Minister outlined the process for ratification and did not indicate that the Ministry would not pursue ratification once they receive the signed text of Afghanistan's protocol of accession from the Ministry of Foreign Affairs. ATAR presented the Deputy Minister with a white paper outlining the benefits of ratifying the Afghanistan protocol.

ATAR later met with Ministry of Foreign Affairs to determine whether the document had been sent to the Ministry of Transport. The Ministry of Foreign Affairs said it sent the protocol to the Ministry of Transport and Communications after receiving it from Afghanistan in December. In the latter half of February, the Ministry of Foreign Affairs followed up and sent a letter to the Ministry of Transport and Communications requesting information on the location of the protocol; the Ministry of Foreign Affairs has not yet received a response.

WTO TFA: ATAR prepared a draft agenda for a roundtable discussion of implementation of the WTO's Trade Facilitation Agreement (TFA) and discussed it with the Ministry of Economy. The agenda includes a review of ATAR's TFA assessment, recommendations on the composition of a national trade facilitation committee, and a look at the timeline for required WTO reporting. ATAR also made recommendations on participants for a TFA roundtable to be held in the second half of March.

3. Tajikistan

Support to the State Customs Service: ATAR assisted with the installation of a risk information database at three customs stations in Dushanbe identified as crucial links for expanding information flow to the risk management unit: the airport freight office, the railway freight yard, and the international post office.

ATAR complimented each installation by providing on-the-job training for customs staff and delivered a paper on identification of information, mechanisms for collection, analysis, and dissemination, and data collection principles. ATAR developed the risk information database, which offers centralized collection of information relating to compliance and enables effective risk management.

Mutual exchange of risk management information: ATAR drafted an agreement on mutual exchange of risk management information in customs matters and proposed the agreement for the trilateral adoption of the Afghanistan Customs Department (ACD), the Tajikistan State Customs Service, and the Kyrgyzstan Customs Service.

ATAR presented the draft agreement to the Tajikistan Customs Service and is awaiting feedback. The agreement is intended to strengthen customs-to-customs cooperation in the exchange of information for customs risk management and will help promote regional and international trade.

ATAR developed job descriptions for Tajikistan's risk management unit and proposed a training plan for the unit. The proposals are being translated prior to presentation to the Tajik State Customs Service.

ATAR, in conjunction with the GIZ's Regional Trade Facilitation project, delivered an analysis of the review of the One Stop concept implemented at the Nijni Panj border crossing point in November 2014, including re-engineered business process proposals and recommendations to improve inter-agency relationships, goods clearance procedures, and infrastructure support at the site.

PATTTA awareness: In February, ATAR delivered two awareness sessions in Tajikistan for the public and private sector to discuss the proposed PATTA.



ATAR held two awareness sessions to discuss a proposed transit and trade agreement between Afghanistan, Pakistan, and Tajikistan.

On Feb. 25, ATAR delivered an awareness session in the Ministry of Economic Development and Trade (MEDT) hosted by Association of International Transport Operators of Tajikistan (ABBAT) for 15 participants and delivered an awareness session on Feb. 26 at the Association of International Transport Operators of Tajikistan (ABBAT) for 17 particpants. Participants included representatives from transport companies, the Tajik customs service, the Ministry of Transport, MEDT, and donor projects.

The sessions focused on the provisions of the proposal and benefits of PATTTA's adoption. ATAR encouraged the participants to incorporate their proposals into the final version of PATTTA.

4. Turkmenistan

WTO TFA: ATAR continued assessing the conformity of Turkmenistan with the WTO TFA. ATAR met with a transportation and logistics company, a customs broker, lawyers, and a private customs services provider for clarification on customs operations.

WTO/WCO customs assessment: ATAR completed the translation of the assessment of the Turkmen customs code with WTO agreements and the World Customs Organization (WCO) Revised Kyoto Convention and shared the Russian version with USAID/Ashgabat.

ATAR submitted the assessment with a cover letter to USAID Turkmenistan, which will submit it to the Ministry of Foreign Affairs of Turkmenistan. ATAR proposed technical assistance to the State Turkmen Customs Service to discuss and making the changes in the Turkmen code to align it with the WCO Revised Kyoto Convention and WTO customs-related agreements and to deliver related seminars.

Support to Export Promotion Institute: In response to interest from the Turkmen Export Promotion Institute on USAID's export promotion support, ATAR provided a note highlighting USAID activities in neighboring countries related to export promotion and development and suggestions for initial support for the Turkmen Export Promotion Institute. USAID sent the note to the institute.

Turkmen construction exhibition: ATAR planned for the participation of Afghan marble businesses in the 8th international "Turkmen Construction 2015" exhibition in Ashgabat from August 27-29.

5. Uzbekistan

Route study: ATAR continued planning a study to assess alternative routes for linking Tashkent with New Delhi and the Arabian Sea. This study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan.

Regional customs workshop: ATAR continued to assess the possibility of a regional customs workshop in Tashkent involving the Kyrgyz Republic, Tajikistan, Uzbekistan, Turkmenistan, Afghanistan, India, and Pakistan. The workshop would cover customs valuation, risk management, electronic payment, post-clearance audit, authorized economic operators, and electronic data interchange.

Customs training: ATAR prepared an outline for one week of training on customs risk management and authorized economic operators to be delivered to Uzbek customs. The outline was shared with USAID/Tashkent for further transmission through a diplomatic note to Uzbek authorities.

Donor meetings: During this reporting period, ATAR followed up on donor meetings held in January and requested a meeting with the Uzbek Chamber of Commerce and Industry.

Cross-Cutting

APTTA extension study: ATAR completed an impact assessment on extending APTTA to Tajikistan and India.

Trade route mapping study: ATAR began to plan a route-mapping study between Uzbekistan and India via Afghanistan and Pakistan.

Regional comparative advantage/trade complementarity study: ATAR continued working on an analysis to assess regional comparative advantage and trade complementarity and identify viable value chains. ATAR has secured two sets of international trade data in support of this study.

Component 2: Looking Forward

- Launch support for decisions made during the fifth APTTCA meeting
- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Facilitate the development of a Memorandum of Understanding (MOU) on mutual cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Discuss with the Organization for Security and Cooperation in Europe (OSCE) and Asian Development Bank the possibility of co-sponsoring a regional train-the-trainers on customs valuation at the Kyrgyz Training Institute
- Continue to promote the MOU between regional chambers of commerce on establishing a platform for cooperation
- Support the Tajikistan State Customs Service on the National Strategy for Integrated Border Management following the implementation of the "one stop shop" on a nation-wide basis
- Continue to build capacity for managing customs risks within the Tajik customs encouraging adoption and full usage of a risk management database developed by ATAR
- Continue to develop PATTTA awareness materials for discussion with the Tajikistan MEDT
- Identify an export development topic and develop materials for presentation to public sector through the Tajikistan Chamber of Commerce and Industries
- Continue to support the review of the Tajikistan national transport codes and support the review of such to include the legal provision for cross-border transshipment without visa
- Continue a regional study on comparative advantages and trade complementarity
- Launch trade route mapping study linking Uzbekistan and India and Arabian Sea
- Launch free economic zones assessment

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

Internal audit unit: In consultation with ACD, ATAR finalized the draft policy and procedure manual for the implementation and operation of an Internal Audit Unit (IAU) in ACD. The policy and procedures are in line with international standards outlined within the Chartered Institute of Internal Auditors and associated standards contained within the "Standards for the Professional Practice of Internal Auditing."

The IAU will assess compliance with strategic, operational, and tactical policies, processes, and procedures undertaken by ACD at the headquarters and regional level. As well as identifying unnecessary burdens to trade or procedural inefficiencies, the IAU will be responsible for identifying systematic abuse of existing systems. Where necessary, the IAU will draft revised operating procedures to minimize opportunities for illicit activities.

Customs policies: ATAR continued throughout February to support ACD's Director of Legislation in a review of customs regulations and procedures to ensure they are aligned with international standards. This included ongoing technical assistance in warehousing and licensing regulations.

Risk management systems: ATAR continued to monitor ACD's risk management in the regions, including Hamid Karzai International Airport (HKIA) and Kabul Inland Clearance Depot (KICD). ATAR developed a template for a weekly compliance snapshot that will allow ACD management to closely monitor regional compliance and performance data. ATAR will introduce the weekly compliance snapshot in March.

The snapshot will provide ACD management with a summary of compliance and performance data for ICDs at Hairatan, Herat, Jalalabad, HKIA, Kabul, and Kandahar. This data includes risk management information that identifies ACD compliance with the policy; number of infractions; any additional revenue following selectivity controls and lane selectivity percentages; average clearance times per selectivity lane; and compliance with the national streamlined procedures blueprint.

Mobile Verification Teams: ACD's Mobile Verification Team (MVT) Manager requested that ATAR to provide technical training for MVT staff. ATAR will develop training in basic anti-smuggling, search of trucks, and examination of consignment and anticipates the training will be delivered by the Afghanistan National Customs Academy (ANCA) and experienced MVT staff.

E-Pay: ATAR met with ACD and Da Afghanistan Bank (DAB) to discuss roadblocks to the implementation of the electronic payment of customs duties, or E-Pay.

ACD outlined its concerns, and DAB said it would assist in assuming responsibility for certain procedural requirements where appropriate. Participants agreed that ACD's Operation Director would follow up the

meeting by emailing a list of specific concerns to DAB, including providing proposed solutions. ATAR assisted ACD in drafting the concerns.

In the second half of February, ACD submitted its list of specific concerns and solutions; DAB has confirmed receipt and will reply in due course.

Streamlined customs procedures: ATAR customs specialists in the regions and Kabul continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures.

ATAR observed that extra steps have been implemented at various locations. Though some progress has been made in reversing some of these additions through discussions with regional management, intervention by ACD's Director General may be necessary in some cases.

Going forward, ATAR will compile a weekly summary of streamlined procedure compliance for ICDs at Kabul, HKIA, Jalalabad, Herat and Hairatan for ACD senior management. This summary will include an annex that identifies exactly which steps are non-compliant and the reasons why.

ANCA support: In the first half of February, ATAR delivered two trainings to ANCA trainers on how to develop presentation templates and themes. This included the creation and use of appropriate visual aids, such as graphs and charts within PowerPoint.

ATAR continued drafting an instruction manual for the ANCA shared drive and version control of documents, updating course material, and drafting new training materials. ATAR finalized a training module on valuation fraud and is translating the module into Dari. The module can be used independently or as part of the technical valuation course that is being developed. ATAR is also developing an airport training module for customs officers at the request of the Balkh Regional Director; this module can be used independently or as part of the customs enforcement curriculum.

Post clearance audit: ATAR met with ACD's Director of Operations and the Post Clearance Audit (PCA) Team Manager to assist in the drafting of a gap analysis that would detail the current status of Afghanistan's PCA and what is required to meet international best practices.

The PCA process is a structured examination of a business' commercial systems, sales contracts, financial and non-financial records, physical stock, and other assets to measure and improve compliance.

Intern program: ATAR continued to support the ACD internship program through regular meetings and daily workplace support.

Component 3: Looking Forward

- Continue regional work with ACD

- Monitor DAB's response to ACD concerns about E-Pay
- Continue to assist ACD in reviewing regulations and procedures, including warehousing and licensing regulations
- Continue to support ANCA in reviewing training material and developing new material
- Continue to support ANCA to deliver English language courses if the security situation allows
- Continue implementation of the enforcement plan
- Implement the weekly compliance snapshot template and start providing ACD management with weekly compliance and performance data
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency
- Following a request from the Balkh Regional Director, provide local assistance for one week at the Mazar International Airport include identifying opportunities for streamlining import procedures, improving risk management operations, and gaps in training skills
- Develop airport training course for customs officers at Mazar International Airport
- Draft and submit a post-clearance audit gap analysis.
- Start the development of relevant policies, procedures, and training materials in support of implementing a professional post clearance audit function

ATAR Rolling Calendar

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
March 3	**Seminar on trade finance**	**Acting Minister of Commerce and Industries (anticipated), traders, EPAA**	**Kabul, Afghanistan**	**C2**
March 9-10	**Bilateral PATTTA discussions**	**Afghan, Tajik officials**	**Dushanbe, Tajikistan**	**C2**
March 10-14	Aahar International Food and Hospitality Fair	Traders, EPAA, ATAR	New Delhi, India	C2
May 26-Oct. 29	India Pharma Export	EPAA, businesspeople	Mumbai, India	C2
May 1-Oct. 31	Export Milano	EPAA	Milan, Italy	C2

- Bold items indicate the possible presence of high-level officials or media.

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FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project

Monthly Report (Jan. 1–31, 2015)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also has a presence in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan and activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

Jan. 1-31 Highlights

- ATAR, with the Export Promotion Agency of Afghanistan (EPAA), supported Afghanistan's participation in Domotex, an international carpet exhibition in Germany, and Stone Mart, an event focusing on the stone industry in India. Traders scored $3.6 million in deals for carpets at Domotex and $12 million in potential deals for marble, onyx, and lapis lazuli at Stone Mart.
- The Afghan government, with ATAR support, participated in the fifth Afghanistan Pakistan Transit Trade Coordination Authority meeting (APTTCA) on Jan. 1-2 and in a Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA) meeting on Jan. 3 in Islamabad, Pakistan. Decisions at the APTTCA meeting will help resolve certain trade and transit issues between Afghanistan and Pakistan, while the PATTTA meeting is the first of three meetings that could pay the way for a trilateral trade and transit agreement between Afghanistan, Pakistan, and Tajikistan.
- With ATAR support, the Afghanistan National Standards Agency (ANSA) designed and approved a certification mark that will be placed on Afghan products that meet internationally accepted standards. When implemented, the certification mark will help increase the confidence of overseas buyers and open up markets for Afghan products.
- ATAR delivered training on gender awareness to trainers at the Afghanistan National Customs Academy (ANCA). The trainers will go on to train other customs employees on gender issues, and the training will become an official part of ANCA curriculum.

Key Upcoming Events

- In partnership with EPAA, ATAR is supporting Afghanistan's participation in Gulfood 2015, the world's biggest annual food and hospitality show, in Dubai on Feb. 8-13. ATAR and EPAA will support traders in negotiating deals for Afghanistan's agricultural products.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: The fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government.

2. Legislative Reforms for WTO Conformity

WTO-related laws: Throughout January, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table provides the status of WTO-related legislative items as of the end of January. ATAR's active areas of support for the month are in light blue.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws and Regulations Included in MOJ 1393[3] Agenda[4]
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	In the second half of 2014, ATAR worked with ACD to finalize the draft; the draft has been submitted to the Director General for approval. ATAR is following up with the	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] The solar year 1393 covers the Gregorian year March 21, 2014, through March 20, 2015.
[4] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

			Director General. The Minister of Finance will adopt the procedure after the draft customs law is adopted.		
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	ANSA completed its review and shared the Dari law with track changes with ATAR. ATAR reviewed the draft for WTO conformity and provided it to ANSA for comment in early January.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	The Council of Ministers approved the draft in September 2014. The Council submitted the draft to MOJ for Pashto translation. MOJ translated the draft to Pashto and submitted it to Parliament on Jan. 4.	Ministry of Justice	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	The draft is under the technical review of MOJ's Education, Culture, and Health Department. ATAR is assisting MOJ to finalize this law and submit it to the MOJ Executive Committee for review.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	This law is under the review of MOJ's Finance and Economic Department. ATAR is assisting MOJ in the review to ensure the law conforms with WTO.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	An article has been inserted into the law to establish a patent board. MOJ is making efforts to send the patent law with an official letter to the Council of Ministers to be reviewed by the President.	Council of Ministers	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	The draft was approved in a general session by the Upper House and sent to the Office of the State Minister for Parliamentary Affairs, which called upon MOJ to review comments provided by Members of Parliament on Jan. 5. Within 15 days of this date, the law should go to the President for endorsement.	Parliament	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Legislative Committee of the Council of Ministers approved the draft, instructing MOJ to check certain terms. The Afghanistan Development and Peace Research Organization now proposed amendments and met with Second Vice President Sarwar Danesh, who asked MOJ to take the comments into account. MOJ asked ATAR to check if the amendments are WTO consistent. Some violate WTO, and ATAR is discussing with the organization.	Council of Ministers	Yes

12	Law on Indication of Production Place	MOCI Wali Faqirzaad Polly Maier	On Dec. 17, the Lower House approved the law, which was sent to the Upper House. On Jan. 5, a session was held on the law at the Commission of Religious Affairs, Cultural and Higher Education of the Upper House. On Jan. 6, a session was held at the National Economic, Financial and Budgeting Commission. Comments are being compiled and will be presented at a General Session.	Parliament	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	On Jan. 27, MOJ's Executive Board held its first working group to review the law. Eight articles of the law were reviewed, and the remainder scheduled for the next session of the Executive Board.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI Wali Faqirzaad Polly Maier	On Dec. 17, MOCI, based on an MOJ request, resubmitted proposed amendments. MOJ's Civil Law Department is reviewing the amendments. ATAR is working with the department to provide clarification.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	ATAR assisted MOJ in the first review of the draft at MOJ's Commercial and Private Sector Department.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	ATAR is assisting the MOJ to provide clarification on the law and put it on the agenda for next year.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi Polly Maier	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments (unrelated to WTO). MOJ is working on the revised draft. The draft is ready for submission to the MOJ executive committee.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. On Nov. 2, ATAR conducted a workshop at MAIL to improve understanding of the law and discuss the impact assessment.	Sponsoring Ministry	No
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	On Jan. 20, ATAR reviewed additional articles proposed by the MOJ's Publication Department to ensure they comply with WTO agreements. ATAR completed the review and submitted the draft to MOJ's Department of Educational, Cultural and Health Laws for further review. The draft is also listed in the agenda of MOJ's Executive Board.	Ministry of Justice	Yes

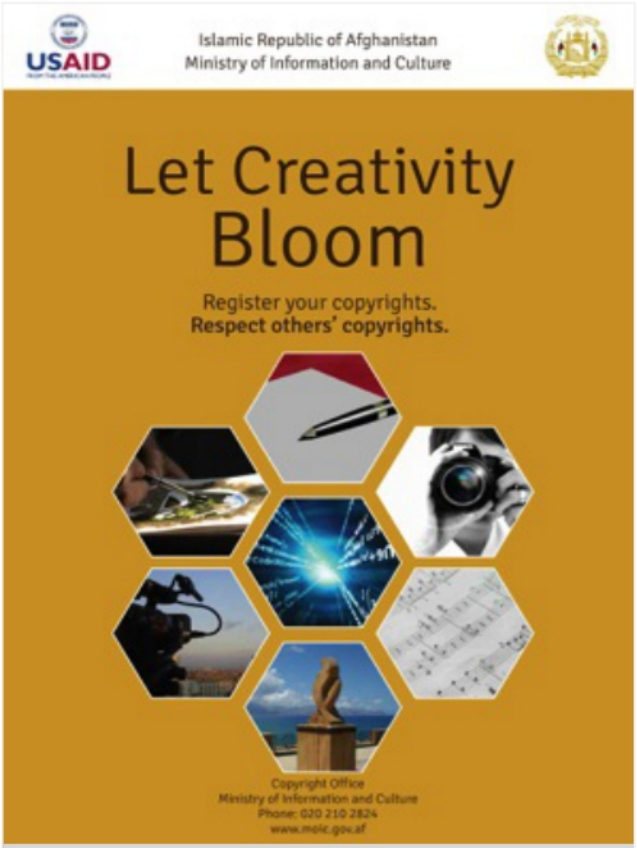
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	MOJ's Commercial and Private Sector Department completed its technical review. The draft is now ready to be submitted to the MOJ Executive Committee. ATAR will continue to assist MOJ to finalize this law.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	The Afghanistan Revenue Department (ARD) said the draft was finalized and submitted to MOJ. MOJ confirmed, however, that it did not receive the draft.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	MOJ's Finance and Economic Department started technical review the law. ATAR is working with MOJ to finalize the law by the end of the Afghan year 1393.	Ministry of Justice	No
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Parliament Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on August 11. The law is published into the official gazette.	Entry into Force	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Agriculture and plant health course: ATAR worked with Kabul University to develop a curriculum for a course called "Afghanistan's Agriculture Import/Export Markets and Plant Health Standards."

In August 2014, ATAR received the commitment of MAIL's Plant Protection and Quarantine Department (PPQD) and Kabul University's Faculty of Agriculture to establish the course as well as the commitment of PPQD to work with the Ministry of Higher Education to formally adopt the course as part of the official curriculum of the Faculty of Agriculture.

As part of WTO requirements, Afghanistan must pass and implement sanitary and phytosanitary laws, including the plant protection and quarantine law and the plant variety protection law food law; the course would help to provide Afghanistan with the specialists needed to implement the law.



ATAR supported MOIC in creating a poster to raise awareness of copyrights.

Trademark law: In support of implementation of the trademark law, ATAR held a training seminar on Jan. 5 and 6 explaining the criteria for trademark registration. ATAR delivered the training to staff of the trademark section of the MOCI's Afghanistan Central Business Registry for Intellectual Property (ACBR-IP).

In the latter half of the month, ATAR assisted ACBR-IP in developing awareness materials for trademark registration. ATAR supported preparation of a poster and two power point presentations – one on trademark awareness for the private sector and the other on the procedures of trademark registration.

Food safety law and procedures: ATAR worked with MOJ and MOPH to review the draft food safety law and the procedures that will support implementation of the law.

ATAR assisted MOJ's Finance and Economic Department in conducting three working group meetings in the first half of January to review the draft law, which MOPH has submitted to MOJ for further legislative processing.

ATAR assisted MOPH in conducting four working group meetings through January to review procedures on food category systems to support the food safety law. Representative of MOPH, MOCI, National Environmental Protection Agency, EPAA, ANSA, Kabul University, and the private sector participated.

Veterinary procedures: During January, ATAR assisted MAIL's Animal Health Directorate in conducting four working group meetings to review procedures related to the veterinary control of import and export regulation, which supports the law on animal health and veterinary public health.

Participants reviewed the procedure on the quarantine, seizure, destruction, and disposal of a consignment of live animals, a commodity, or controlled articles as well as the procedure on border control and inspection procedures for the import of live animals, commodities, and controlled articles. Each procedure is reviewed article by article.

On Jan. 27, ATAR assisted MAIL's Animal Health Directorate in conducting a seminar regarding the regulation of animal health for the directorate's technical staff.



ATAR worked with MAIL's Animal Health Department to review procedures and regulations in support of the animal health law.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Certification mark: ATAR worked closely with ANSA to design a certification mark for export products and internally manufactured products that meet standards and requirements. The mark received the approval of ANSA's top management, and ATAR began work with ANSA to design a certification mark for management systems.

ATAR supported ANSA in the design of a mark that will certify Afghan products meet internationally accepted standards.

ISO training: ATAR conducted a workshop on Jan. 7 on International Standard Organization (ISO) 17025, which details the requirements for the competence of testing and calibration laboratories. Twelve employees of ANSA participated in the ISO training, which is vital for good laboratory practices.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

Post-accession WTO Unit: ATAR continued drafting a white paper outlining the terms of reference for MOCI's WTO Unit to handle post-accession matters. The paper will include proposed functions of the WTO Unit, job descriptions, and qualification requirements, and a staff retention and technical sustainability plan.

6. Building Analytical Capacity

TPAU: ATAR held consultative meetings with MOCI's Director General regarding the sustainability of MOCI's Trade Policy Analysis Unit (TPAU) and to discuss continuing capacity building and the education of current personnel.

Statistics and analysis training: On Jan. 26-27, ATAR held two trainings at the Central Statistics Organization (CSO) in partnership with three staff members from TPAU. These trainings are the first of 10 full days of training regarding the application of software in statistics and analysis to help eliminate discrepancies in the reporting of data by ACD, MAIL, EPAA, and CSO.

About 30 participants from these counterparts are registered for these trainings. Participants will study methods of collection, verification, modification, maintaining, and analysis of trade and other economic data used for economic and trade policy analysis.

Trade data: ATAR collected preliminary annual import, export, and revenue data for 2014 from ACD. Preliminary analysis showed that imports to Afghanistan in 2014 increased by 2 percent to 3 percent, but revenue collected by ACD decreased by 8.3 percent. ATAR will work with ACD on the value of exports as this requires the elimination of re-export data that was recorded by ACD as exports.

ATAR completed translation in Dari and Pashto of the "Annual Review on Trade Policy" that was prepared by MOCI's TPAU with ATAR support. ATAR is training the TPAU to clean and finalize ACD data for preparation of MOCI's next annual trade review.

Sensitive lists: ATAR guided a meeting at MOCI on Jan. 11-12 and assisted in preparing a draft revised sensitive list to be sent to South Asian Association for Regional Cooperation (SAARC) as part of implementation of the South Asia Free Trade Area (SAFTA) agreement. Sensitive lists are lists of products that are of special interest to the member countries and are exempted from low SAFTA tariffs.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Continue supporting development of regulations, and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Continue to work with MAIL to advance development of implementing regulations and procedures for the law on plant protection and the law on law on animal health
- Continue support for applying to intellectual property conventions: Paris Convention for the

Protection of Industrial Property; Madrid Protocol relating to the Madrid Agreement Concerning the International Registration of Marks; and Singapore Treaty on the Law on Trademarks
- Continue capacity building for implementation of the trademarks law
- Launch preparation of draft procedural guidelines for the advance rulings unit
- Launch review of regulations on customs arbitration
- Continue work on terms of reference for MOCI's WTO unit in post-accession environment
- Continue work on needs assessment for TPAU
- Develop an action plan for ANSA food testing laboratory based on gap analysis
- Facilitate and organize a study tour of an ISO 9001-certified company in Kabul
- Hold two trademark awareness sessions with ACBR-IP at MOCI in early February

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

1. Afghanistan

APTTCA: ATAR helped prepare an Afghan delegation for the fifth meeting of the Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) in Islamabad on Jan. 1-2. Acting Minister of Commerce and Industries Mozammil Shinwari headed the delegation.

Many of the decisions and actions during the APTTCA meeting will resolve challenges to Afghan transit trade to India through Wagah and to Pakistani seaports. The next APTTCA meeting will be scheduled in March 2015 to monitor progress and implementation of the decisions.

ATAR helped prepare the Afghan delegation through preparatory meetings in December; development of a list of issues; a white paper regarding priority issues including bonded carriers, letter of guarantee procedures at Pakistani ports, partial shipments, and transshipment facilities at Peshawar; and preparation of an agenda. ATAR also provided input to the open statements of Afghanistan in the APTTCA and Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA) meetings.



Clockwise from top left: 1) Afghanistan's Acting Minister of Commerce and Industries Mozammil Shinwari (right) signed minutes from the fifth APTTCA meeting with the Pakistan representative; 2) Afghanistan's Director General of International Trade Mohammad Rahim Momand (right) signed minutes from the bilateral trade meeting with the Pakistan representative; 3) The Acting Minister (right) signed minutes from the PATTTA meeting with the Tajikistan and Pakistan representatives; 4) The PATTTA representatives shook hands.

Letter of guarantee: ATAR met with the Director General of Planning and Policy and other officials at the Ministry of Transportation and Civil Aviation (MOTCA) on Jan. 13 to discuss technical assistance for the ministry to issue letters of guarantee.

Participants in the APTTCA meeting said that Afghan trucks holding a letter of guarantee can transit Pakistan up to Wagah by Jan. 20. ATAR designed the letters in January and will print letters of guarantee for distribution by MOTCA and provide training to MOTCA staff prior to implementation

PATTTA: ATAR helped prepare the Afghan delegation for advance negotiations with Pakistan and Tajikistan on PATTTA. The first trilateral PATTTA meeting was hosted Jan. 3 in Islamabad, Pakistan, when Tajik representatives joined Afghan and Pakistan representatives after the APTTCA meeting. Acting Minister of Commerce of Industries Shinwari headed the Afghan delegation.

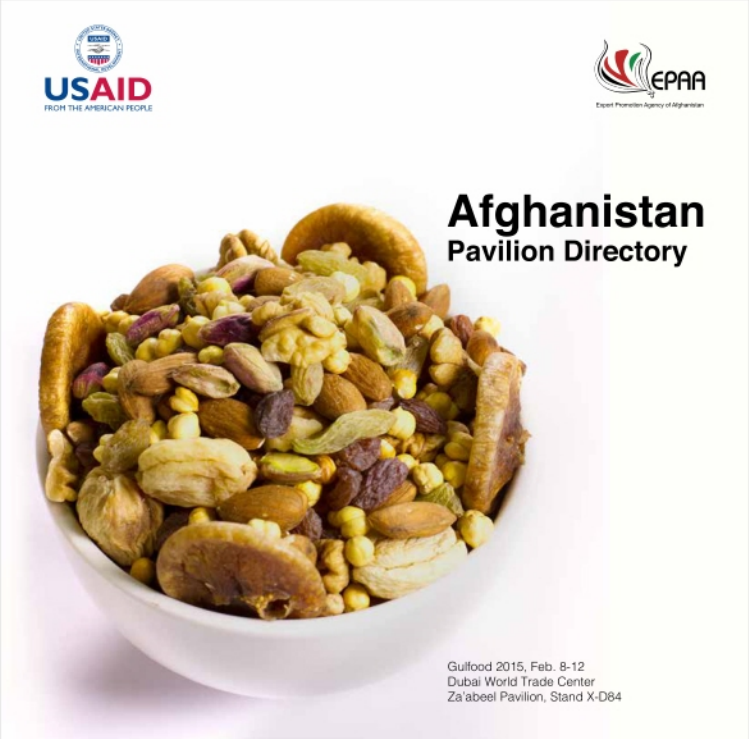
PATTTA delegates agreed the second trilateral PATTTA meeting will be scheduled in Dushanbe, Tajikistan, in mid-March where the first draft of PATTTA is to be presented. The final draft will be presented and signed during the third trilateral PATTTA meeting scheduled for March 31 in Kabul.

ATAR supported the Afghan delegation by preparing agenda and talking points for PATTTA meetings and a material regarding special economic zones.

EPAA work plan: ATAR supported EPAA in developing its annual work plan, and EPAA submitted the work plan to MOCI for approval. Under the plan, ATAR will assist EPAA in organizing Afghan pavilions in five trade shows, developing a national export strategy, and conducting three export seminars. ATAR will also provide assistance in developing a trade information center in EPAA to disseminate trade and business information to Afghan businesses. EPAA has reduced it employees from 15 to 5 and requested more support from ATAR to implement its work plan.

ATAR will also assist EPAA in setting up an export coordination committee within EPAA that will capture the problems faced by Afghan export businesses. EPAA will try to resolve the problems with relevant authorities. ATAR also launched assistance to EPAA in preparing an export strategy covering sectors with export potential.

Gulfood: ATAR is partnering with USAID's Commercial Horticulture and Agriculture Program (CHAMP) to assist EPAA to organize the Afghan pavilion at the Gulfood Exhibition in Dubai on Feb. 8-12. Afghan businesses from fresh fruits, dried fruits and nuts, saffron and processed fruits will



ATAR supported Afghanistan's participation in Gulfood with preparation of a trader directory and other promotional materials.

participate. The Acting Minister of Commerce and Industries of Afghanistan may inaugurate the Afghan Pavilion. ATAR will also organize visit to Dubai wholesale market to meet potential buyers.

CHAMP and ATAR rented the pavilion and will work together and assist Afghan exporters to execute export orders generated from this event. ATAR designed the booth, invitations, and a trader catalog.

Domotex: Afghan carpet traders scored potential deals worth $3.6 million at Domotex on Jan. 17-20 in Hannover, Germany. ATAR developed a carpet catalogue for this exhibition and assisted EPAA in inserting an advertisement in Hali, an international carpet magazine, to coincide with the show. Domotex is the largest international exhibition in the carpet sector.



Afghan carpet traders who participated in Domotex, an international carpet exhibition, had $3.6 million in deals resulting from the event.

India Stone Mart: Afghanistan's marble, onyx, and lapis lazuli fetched more than $12 million in potential deals with Indian buyers at India Stone Mart in Japir, India. The four-day event, which started Jan. 28 and ended Feb. 1, gave Afghan companies and associations the opportunity to showcase Afghanistan's precious stones. Many of the traders are now travelling to the New Delhi and Mumbai headquarters of the Indian companies to solidify the deals.

In partnership with EPAA, ATAR assisted the Afghan companies and organizations in participating in Stone Mart, which is the largest international exposition on the stone industry. In tandem with the event, ATAR organized a factory visit for eight Afghan marble traders who saw marble cutting and polishing techniques used in India.



Afghan stone companies came away from Indian Stone Mart with $12 million in potential deals.

2. Kyrgyz Republic

CBTA: ATAR followed up on the need for the Kyrgyz Republic to forward the draft Cross Border Transport Agreement (CBTA) protocol to Tajikistan. ATAR requested a copy of the draft agreement proposed by the Kyrgyz Republic to Afghanistan regarding the trucking quota, but Afghanistan's MOTCA indicated the draft was not received. ATAR also began working on a note comparing the efficiency and competitiveness of the Afghan and Kyrgyz trucking sectors engaged in international transit.

Modern Transport and Logistics Workshop: ATAR followed up on the Modern Transport and Logistics Workshop held in Bishkek in December by contacting Kyrgyz workshop participants to obtain their feedback on the workshop. They indicated they were pleased with the workshop and felt the presentations were meaningful. They also said they established useful contacts in countries where they previously had none.

CAREC SPS: ATAR participated in a two-day CAREC Sanitary and Phytosanitary (SPS) workshop on Jan. 25-26. The forum offered the opportunity to discuss the CBTA and the status of the Karamyk border crossing point with Asian Development Bank (ADB) representatives and included a workshop on activities in progress to upgrade the Single Window. ADB is funding renovation of the border crossing and work on the Single Window.

3. Tajikistan

Support to the State Customs Service: ATAR, in the company of the USAID Country Director, met with the Deputy Chairman of the Tajik State Customs Service to discuss capacity building delivered in 2014 and confirm 2015 work-plan activities relevant to customs.

Support to the Ministry of Economic Development and Trade: ATAR facilitated the deployment of the Tajik delegation to the PATTTA tri-lateral meetings in Islamabad. Following the delegation's return,

ATAR, in the company of the USAID Country Director and the U.S. State Economic Advisor, met with the Deputy Minister for a debrief of the meeting. The Tajik government is committed to continuing the trilateral discussions and indicated willingness to sign the agreement as early as March 2015.

ATAR initiated the development of awareness materials of PATTTA to be agreed with the Ministry of Economic Development and Trade and co-presented to private and public sector forums in February.

In the latter half of January, ATAR provided a Russian-language version of the Pakistan proposal of the PATTTA to the Tajik government. The Ministry of Economic Development and Trade disseminated the Russian translation to government counterparts and is expecting their feedback in mid-February.

Support to the private-transport sector: ATAR met with a transport operator who attended the recent Modern Transport and Logistics Workshop. The Tajik transport sector is proposing a business-to-business meeting between Tajik and Afghan transport companies in Kabul to establish contracts of a collaborative transshipment nature. The sector is also proposing the establishment of near border transshipment terminals (Tajikistan-Afghanistan) that legally provide for a no visa requirement for the drivers to enter the zone.

Support to the State Veterinary Inspection Service: ATAR provided a Russian version of a training course on conducting qualitative import risk analyses to the Tajik State Veterinary Inspection Service. ATAR had developed this material and delivered it to the Afghanistan Veterinary Inspection Service; ATAR shared it with the Tajik counterpart as Tajikistan has proposed an agreement in mutual assistance and cooperation on veterinary science matters with Afghanistan.

4. Turkmenistan

WTO TFA: ATAR continued assessing the conformity of Turkmenistan with the WTO Trade Facilitation Agreement (TFA) based on available information.

WTO/WCO customs assessment: ATAR completed the translation of the assessment of the Turkmen customs code with WTO agreements and the World Customs Organization (WCO) Revised Kyoto Convention and shared the Russian version with USAID/Ashgabat.

5. Uzbekistan

Route study: ATAR began planning a study to assess alternative routes for linking Tashkent with New Delhi and the Arabian Sea. This study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan.

Regional customs workshop: ATAR began to assess the possibility of a regional customs workshop in Tashkent involving eight countries (Kyrgyz Republic, Tajikistan, Uzbekistan, Turkmenistan, Afghanistan, India, and Pakistan) and covering customs valuation, risk management, E-Pay, post-clearance audit, authorized economic operators, and electronic data interchange.

Meeting with donors: ATAR held a series of meetings to discuss potential cooperation in trade and customs-related activities. This included meetings with the International Finance Corp. (IFC), United Nations Development Programme (UNDP), ADB, and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). ATAR also met with the commercial officer at the Afghan Embassy in Tashkent and discussed issues concerning trade between Afghanistan and Uzbekistan. The commercial attaché expressed support for any activities that would link Afghan and Uzbek businesses.

Component 2: Looking Forward

- Launch support for decisions made during the fifth APTTCA meeting
- Continue work related to advancing the ratification in Kyrgyz Republic of the CBTA protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Facilitate the development of a Memorandum of Understanding (MOU) on Mutual Cooperation between a Kyrgyz transport company and its Tajik counterpart as agreed in a protocol signed during the Modern Trade and Transport Workshop
- Discuss with Organization for Security and Cooperation in Europe (OSCE) and ADB the possibility of co-sponsoring a regional train-the-trainers on customs valuation at the Kyrgyz Training Institute
- Develop an MOU between ATAR and the State Customs Service on cooperation
- Continue to promote the MOU between regional chambers of commerce on establishing a platform for cooperation
- Support the Tajikistan State Customs Service on the National Strategy for Integrated Border Management following the implementation of the "one stop shop" on a nation-wide basis
- Support the State Unitary Enterprise "Single Window" with "trader-friendly" publications and adoption of the CITS program to the official "Single Window" website
- Continue to build capacity for managing customs risks within the Tajik customs encouraging adoption and full usage of a risk management database developed by ATAR
- Continue to develop the awareness of PATTTA materials for discussion with the Tajikistan Ministry of Economic Development and Trade
- Identify an export development topic and develop materials for presentation to public sector through the Tajikistan Chamber of Commerce and Industries
- Continue to support the review of the Tajikistan national transport codes and support the review of such to include the legal provision for cross-border transshipment without visa
- Continue a regional study on comparative advantage and trade complementarity
- Continue study on impact of extending APTTA to India and Pakistan

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

Strengthen customs policies: ATAR continued to support ACD in a review of its customs regulations and procedures to ensure they are aligned with international standards. This included a number of meetings with the ACD Legislation Department to discuss advanced rulings.

Implement risk management systems: ATAR continued to monitor ACD's risk management in the regions and expects to submit its complete review upon submission of relevant Automated Systems for Customs Data (ASYCUDA) data by ACD.

ATAR customs specialists assisted ACD regional managers in responding to the ACD Risk Management Committee's request to ensure all risk management problems are forwarded to the committee on a monthly basis and that Inland Clearance Depot (ICD) staff prepare ASYCUDA profile request information forms and forward them to the committee.

ATAR continued to monitor ACD's risk management in the regions through the capture of comprehensive risk management data. This data will be used to assist ATAR in advising ACD in risk management and ACD in amending their intervention percentages at each location. ATAR also assisted the risk management manager in creating risk profiles for Kabul International Airport ICD.

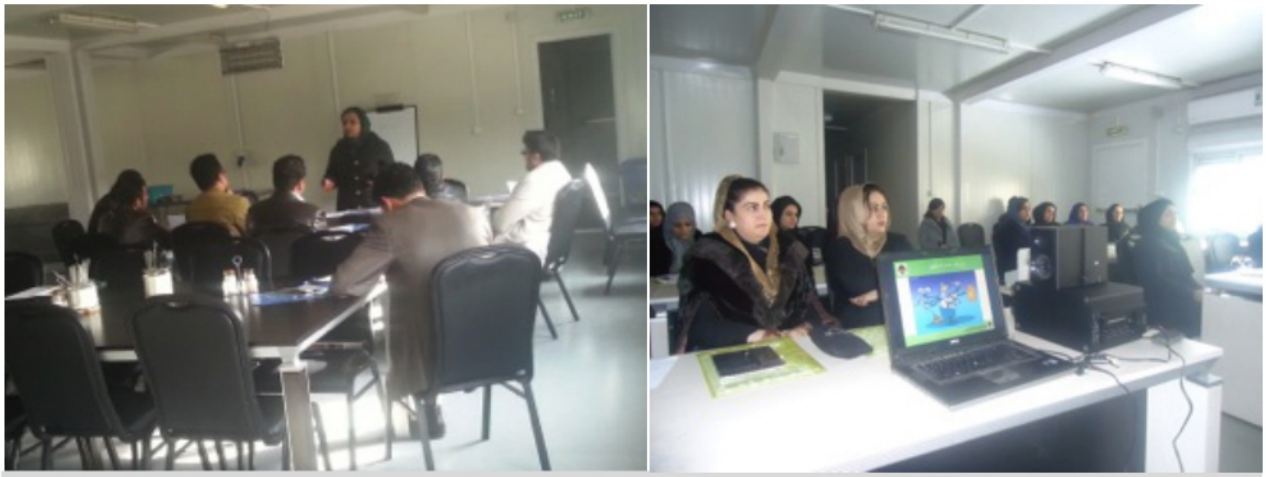
Customs Enforcement Network: ATAR met with the ACD enforcement director regarding the usage of the World Customs Organisation (WCO) Customs Enforcement Network (CEN) database. At the meeting, ATAR said the lack of usage may generate questions from the WCO, as access was requested by ACD. It was agreed that an English speaking customs officer, working for the customs intelligence unit, would be assigned to assist the enforcement director in using the database, supported by ATAR.

Electronic payment of customs duties: ACD must provide terminal access and passwords for ASYCUDA to Da Afghanistan Bank (DAB) staff at headquarters in order for E-Pay to begin. This matter has been raised with USAID, which will facilitate a meeting between ACD, ATAR, DAB and the World Bank on Feb 9. DAB is ready to proceed with electronic payment of customs duties, or E-Pay, but the process cannot move ahead until ACD provides this access.

Streamlined customs procedures: ATAR customs specialists in the regions and at Kabul International Airport/Kabul ICD continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures. ATAR observed that extra steps have been implemented at various locations. ATAR continued discussions with regional management to remove those additional steps and return to the agreed national blueprint.

Gender awareness: ATAR delivered a train-the-trainers course on Jan. 10 in gender awareness to seven Afghanistan National Customs Academy (ANCA) trainers. ANCA, with ATAR support, then led gender awareness courses on Jan. 17 with 21 male participants and on Jan. 24 with 24 female participants. The training will become a part of ANCA curriculum.

ATAR also met with the ACD's women's representative. This meeting included a telephone conference call with the director of gender at the Ministry of Finance to discuss concerns and issues of female employees at ACD in Kabul and the regions.



ATAR taught a "train-the-trainers" course (left) that will enable the trainers to teach gender awareness to customs employees. ATAR supported the gender awareness training (right) delivered to ACD women.

ANCA support: ATAR assisted ANCA in using WCO e-Learning materials. Since all materials are in English, ATAR and ANCA will review the materials to ascertain the complexity of each subject and the delivery method to ensure that ANCA staff who participate in the training are able to understand the materials.

ATAR continued to develop training material for ACD in the areas of enforcement, management, and training presentation skills. ATAR is assisting ANCA to deliver English language courses.



ATAR delivering a presentation skills course to ANCA trainers and assisted ANCA in delivering English language courses.

Regional customs specialists: ATAR continued to assist ACD regional management and staff in risk management, valuation, streamlined procedures and clearance performance.



ATAR gave an overview of project activities in Herat.

ATAR's customs specialist in Mazar-e Sharif met with USAID's project management specialist to give an overview of ATAR activities and achievements in general and in the north.

ATAR's customs specialist in Herat attended an Afghanistan Chamber of Commerce and Industries (ACCI) event, where USAID-funded projects, including ATAR, gave project presentations. There were 200 attendees, and the event was coverd by Herat local and national television.

Component 3: Looking Forward

- Continue regional work with ACD
- Continue to work with the ACD, Da Afghanistan Bank, World Bank, and USAID on E-Pay
- Continue with the discussion / future implementation of the Professional Standards Unit policy document
- Continue to assist ACD in reviewing regulations
- Support ANCA in the delivery of gender awareness training to ACD
- Continue to support ANCA in reviewing training material and developing new material
- Continue to support ANCA to deliver English language courses
- Continue implementation of the enforcement plan.
- Support and direct ACD interns to ensure they are working effectively at ACD
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency/ effectiveness

ATAR Rolling Calendar

Rolling Calendar of Key Events					
Date	**Event**	**Participants**	**Location**	**Comp-onent**	**Comments**
Feb. 8-12	Gulfood 2015	EPAA, ATAR, MOCI, traders	Dubai, UAE	C2	Acting Minister of Commerce and Industries may inaugurate the Afghan Pavilion.

- Bold items indicate the possible presence of high-level officials or media.

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FROM THE AMERICAN PEOPLE

Looking Back: Monthly Report (July1 – 15, 2014)
Looking Forward: Future Activities Report (July 16 – 31, 2014)

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

1. WTO Accession Process

Fifth Working Party meeting: Afghanistan's fifth Working Party meeting is tentatively expected to occur in November 2014 at the World Trade Organization (WTO) headquarters in Geneva, Switzerland.

2. Legislative Reforms for WTO Conformity

WTO-related laws: Throughout July, ATAR continued its work with the Afghan government to draft or reform laws necessary for WTO accession. The table below provides the status of WTO-related legislative actions as of the end of July. ATAR's active areas of support in July are highlighted in blue.

No.	Legislation	Responsible Ministry	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws and regulations included in MOJ 1393 Agenda[3]
1	Amendments to the 2005 Customs Law	Afghan Customs Department (ACD)	The Ministry of Justice (MOJ) submitted the draft to the Council of Ministers in March 2014.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	The Minister of Finance is to adopt the procedure after the draft customs law is adopted. ATAR supported the establishment of a working group on July 12, 2014, to review the draft.	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

4	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA)	With ATAR support, the ANSA Management Board completed its review in July 2014. On July 20, 2014, ANSA shared a Dari version of the law with track changes with ATAR for analysis. ANSA will next submit the draft law to MOJ. ANSA and ATAR are working with MOJ to include the draft on MOJ's agenda for this year.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL)	MOJ resubmitted the law to the Council of Ministers in May 2014.	Council of Ministers	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL	ATAR assisted the MAIL technical team in finalizing the draft law in June 2014. This draft will be presented to the MAIL Minister for final approval and then will be submitted to MOJ.	Sponsoring Ministry	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH)	With ATAR support, MOPH finalized and submitted the draft to MOJ in 2012. ATAR started working with MOJ to review this draft in 2014. However, MAIL sent a letter in May raising new concerns regarding the authority of MAIL and MOPH with regard to food safety and requesting MOJ and MOPH to stop working on the draft until its concerns are addressed. MAIL requested information on options to best implement Afghanistan's food safety system, and ATAR will present options based on best practices to the MAIL Minister after Eid. As soon as MAIL and MOPH agree, MOJ will start work on the law.	Ministry of Justice	Yes
8	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A

9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI)	MOJ submitted the law to the Council of Ministers in March 2014. The Council of Ministers has not yet begun review.	Council of Ministers	Yes
10	Amendments to the Law on Trade Marks of 1 September 2009	MOCI	MOJ submitted the draft to Parliament in April 2014. On July 19, 2014, the Economics and Financial Commission of the Parliament (Lower House) reviewed the amendments and shared with the other commissions for revision, addition, comments and feedback.	Parliament	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC)	This reporting period, the MOJ Acting Minister finished reviewing the law. On July 27, a milestone was achieved when MOJ officially submitted the draft amendments on the law to the Legislative Committee of the Council of Ministries.	Council of Ministers	Yes
12	Law on Geographical Indications	MOCI	ATAR assisted MOJ in conducting a roundtable on July 13, 2014, to review the draft. MOJ officials and the legal advisor to the Council of Ministers attended the meeting. The draft law was approved by the Legislative Committee of the Council of Ministers on July 23, 2014.	Council of Ministers	Yes
13	Law on Industrial Designs	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	No

17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments to the draft. MOJ is now working on the draft law after the approval of the amendments.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL	The draft has not been finalized at MAIL, and MAIL did not submit the draft to MOJ for inclusion in its 1393 legislative agenda. However, ATAR is working with MOCI to encourage MOJ to include the draft law on this year's agenda.	Sponsoring Ministry	No
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/Ministry of Justice	On July 27, 2014,ATAR participated in a working group on the law with MOJ's Cultural, Education and Health Department. The department's director requested clarification regarding the rationale for amending the law. ATAR explained the law requires improved transparency provisions in accordance with WTO rules.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI	The draft is at MOJ under review by the relevant legislative department. MOJ had included the draft on its agenda for the fourth quarter of the Afghan year 1393 but agreed to bring it forward to the second quarter of 1393. ATAR will assist MOJ to review this draft for further submission to the Council of Ministers.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI	The procedure is awaiting approval by the Minister of Commerce and Industries.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD	The draft is at ACD for final review. ATAR assisted ACD in	Sponsoring Ministry	N/A

			conducting a working group meeting on July 8, 2014, to address questions. The document will be shared with ACD's Director General of Customs.		
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Value Added Tax	MOF	The Lower House approved the draft law; the law is now pending approval by the Upper House.	Parliament	Yes
26	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance	The Afghanistan Revenue Department (ARD) indicated the draft was finalized and submitted to MOJ in January. MOJ indicated it did not receive the draft.	Sponsoring Ministry	N/A
27	Law on Minerals	Ministry of Mines	During the quarter, the Upper House approved the draft law. It is now awaiting approval of the President.	President	Yes
28	Law on Safeguards Measures for Domestic Protection	MOCI	The draft is awaiting review by the relevant MOJ legislative department. MOCI and ATAR are encouraging MOJ to include the law on this year's agenda.	Ministry of Justice	No

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Food safety regulation: As part of ongoing working group meetings regarding regulations and procedures related to the food safety law, ATAR assisted MOPH in conducting meetings of the food regulation working group in the first half of July to review the draft procedure on recall requirements for food producers, processors, distributors, and retailers.

Representatives of MOPH, MOCI, ANSA, the Export Promotion Agency of Afghanistan (EPAA), the National Environmental Protection Agency (NEPA), Afghanistan Chamber of Commerce and Industries (ACCI), and Kabul University reviewed the draft. ATAR provided technical guidance and assisted MOPH in incorporating comments from working group members into the document.

In the second half of July, ATAR conducted roundtables and a seminar at MOPH regarding requirements for additives permitted and prohibited for use in food and substances prohibited from use in human food. Representatives of MOPH, MOCI, ANSA, EPAA, NEPA, ACCI, and Kabul University participated.



ATAR trained participants from the government, private sector, and universities on issues related to the food safety law, including additives permitted and prohibited in food.

Plant protection and quarantine regulation: Throughout July, ATAR worked with MAIL's Plant Protection and Quarantine Department (PPQD), MAIL's Plan and Legal Analysis Department (PALAD), and MOCI representatives in support of the plant protection and quarantine regulation.

ATAR worked with the representatives to finalize a work plan with objectives for specific meetings. ATAR also supported two roundtables and three working group meetings to finalize the draft plant protection and quarantine regulation. In addition, ATAR organized three working groups to revise model procedures in support of the implementation of the regulation. All procedures will be compiled in a manual titled "Manual of Procedures of the Plant Protection and Quarantine 2014." ATAR supported the drafting of at least 16 procedures.

Regulation on veterinary control of import and export: In the first half of July, ATAR assisted a MAIL working group with amendments to the veterinary control of import and export regulation. ATAR also prepared new draft procedures required to implement and enforce the draft import and export regulation and completed drafting all 26 procedures of immediate priority.

In early July, ATAR met with MAIL experts to reach an agreement on proposed amendments to the draft veterinary medicines and biological substances act. The MAIL technical experts approved the draft act, which will be submitted to PALAD for its review.

ATAR also assisted with negotiating proposed amendments to the animal health and veterinary public health act and the food safety act following receipt by MOPH of a MAIL letter that raised issues relating to a possible overlap in roles and responsibilities.

Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Procedure for WTO-TBT enquiry and notification point: In the first half of July, ATAR supported ANSA in developing a draft procedure for inter-agency cooperation to ensure timely submission of replies to enquiries and notifications to the WTO.

With the assistance of USAID's Trade Accession and Facilitation for Afghanistan (TAFA) project, ANSA had established a WTO-Technical Barriers to Trade (TBT) enquiry and notification point, which will enable the country to notify WTO members of changes in measures related to technical barriers to trade and respond to enquiries from WTO members and interested parties.

The new procedure details how all ministries and agencies authorized to issue technical regulations will share information to the WTO-TBT enquiry and notification point at ANSA.



An ANSA employee works in a laboratory to test the quality of imported fuel. With ATAR support, ANSA obtained full membership in ISO.

ISO full membership status: In early July, ANSA obtained full membership in the International Organization for Standardization (ISO) with the support of ATAR and, previously, TAFA.ISO is an international standard-setting body comprised of representatives from various national standards organizations. Full members sell and adopt ISO international standards nationally.

4. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

Resumption of work at MOCI: On July 1, ATAR held a meeting with MOCI to reintroduce the ATAR team and discuss support to MOCI following a pause in activities last quarter.

MOCI Deputy Minister Mozammil Shinwari, MOCI Director General Rahim Momand, and employees of MOCI's International Trade Department attended the meeting. MOCI indicated its readiness to resolve all WTO-related issues with other key WTO ministries, including those related to legal reforms.

ATAR is now embedded at MOCI in a main project office as well as other shared offices. Throughout July, ATAR coordinated all WTO-related activities with MOCI. The WTO department participated in all ATAR-sponsored working group meetings and worked with other line ministries.

In a separate meeting with the Acting Minister of Justice, MOJ extended the use of its office space for ATAR as long as the premises are needed.

5. Building Analytical Capacity

Training to TPAU: During the reporting period, ATAR resumed its work with MOCI's Trade Policy Analysis Unit (TPAU). In the first half of July, ATAR focused on training TPAU staff to prepare for MOCI's internal annual review on trade policy. ATAR also worked with TPAU to prepare analysis of existing markets for sugar, cement, and cooking oil in terms of production, consumption, and imports. MOCI required the study in light of a request from the International Monetary Fund to increase import tariff rates on those goods.

CSO training: During the first half of July, ATAR assisted the Central Statistics Organization (CSO) in collecting data from ACD and provided training to CSO on validating the data. ATAR will monitor collection of data by CSO from ACD in July for the reporting period December 21, 2013,to June 20, 2014.

6. Building Nationwide WTO Awareness

There were no activities performed during this reporting period.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting.
- Continue support to advance WTO-related draft legislation, regulations, and procedures, particularly regarding customs, copyrights, patents, food safety, veterinary health, standards, fees for the import of medicines, intellectual property border enforcement, customs storage fees, and plant variety.
- Conduct a seminar for MOJ on the necessity of the draft law on foreign trade in goods.
- Continue dialogue with MOPH to promote adoption of amendments to the regulations of production and importation of medicines and medical equipment for WTO-conformity and support the process with quantitative analysis of fee structures.
- Continue to work with MOPH to advance development of implementing regulations and procedures for the law on food safety.
- Assist the Legislative Committee of the Council of Ministers, as needed, on their review of the amendments of law on copyrights.
- Continue to support MAIL to amend draft regulations for plant quarantine and protection and develop implementing procedures.
- Continue to work with MAIL to advance development of implementing regulations and procedures for the law on animal health and veterinary public health.
- Conduct an initial meeting between ANSA and its counterparts for the WTO-TBT enquiry and notification point with the aim to finalize the procedure for inter-ministerial cooperation regarding enquiries and notifications.

COMPONENT 2: Enhanced Access to Regional Markets

1. Afghanistan

Training on international research and market analysis: During July, ATAR, in collaboration with EPAA, provided 16 workshops on international research, market analysis, global logistics, and supply chain management for up to 15 MOCI, EPAA, and private-sector participants.

ATAR also began supporting EPAA in gathering information about border and tariff rates for Afghan handicraft products that may enter 17 different countries. This information will be uploaded on EPAA's web site.



ATAR worked with EPAA to provide 16 workshops on trade-related topics.

Business-to-business event in India: In the latter half of June, ATAR supported EPAA in a business-to-business event in India by preparing material for the promotion of Afghan products that have export potential to India. EPAA staff led the preparation of materials with minimal guidance from ATAR and successfully engaged in the business-to-business event on their own.

The event led to the signature of two memorandums of understanding (MOUs), one with the Indian Importers Association and one with the Federation of Indian Exporters Organization, to strengthen business relationships between India and Afghanistan.[4]

Trade and transit agreement: At the request of MOCI, ATAR assisted in the preparation of a draft model agreement on trade and transit between Afghanistan, Azerbaijan, Georgia, and Turkmenistan in early July. The draft agreement is based on the Cross Border Transport Agreement and WTO agreements and includes an annex on transport.

[4]This activity was not reported previously and is included in the July report in order to capture all ATAR activities.

In the second half of July, ATAR helped amend the model agreement on trade and transit with Uzbekistan to update an article on transit to reflect the recently adopted WTO Trade Facilitation Agreement (TFA).

TIR support: In the first half of July, ATAR continued its support to Afghanistan in efforts to implement the Transports Internationaux Routiers (TIR) Convention, a multilateral treaty to simplify and harmonize administrative formalities of international road transport.

ATAR appraised ACCI's application process for the TIR carnet, a customs transit document used under the convention, and documentation for transport operators. ATAR interviewed a representative of Faisal Mirzakwal Logistics and Transport Co., an approved TIR carnet holder, to identify impediments to operationalizing TIR and examined the vehicles owned by the TIR carnet holder to determine their suitability for TIR transport.



Participants in a SAFTA meeting in Bhutan pose for a picture. ATAR offered technical support to MOCI to enable its participation.

SAFTA meeting: ATAR offered technical support to an MOCI delegation participating in the Ninth Meeting of the South Asia Free Trade Area (SAFTA) Committee of Experts on July 22-23, 2014, and Eighth Meeting of the SAFTA Ministerial Council on July 24, 2014, in Thimpu, Bhutan.

ATAR supported MOCI in preparing a presentation for the event, drafting a report on notification of non-tariff measures and para-tariff measures by Afghanistan, and working on Afghanistan's sensitive list of goods under SAFTA.

SAFTA is a regional free trade agreement between Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.

2. Kyrgyz Republic

Verification of CITS data: In the first half of July, ATAR verified data in the Comprehensive Integrated Tariff System (CITS) with relevant Kyrgyz agencies. ATAR is waiting for the approval of the chairman of the Kyrgyz Republic's State Customs Service to upload CITS to the customs website and provide training on maintenance.

CITS will ensure greater transparency and access to information regarding import and export trade and transit regulations. Through CITS, an Afghan trader can have access to information on all regulatory

requirements applicable to products imported into or exported from the Kyrgyz Republic.

Law enforcement information technology system: In the first half of July, ATAR completed a paper on a law enforcement information technology system for Kyrgyz customs. This was subsequent to discussions and a presentation to customs in April 2014 for an information base in support of risk management.

Risk management assistance: ATAR continued working throughout July with the Kyrgyz Republic's State Customs Service to develop its risk management system. The application of risk management and the use of risk-based selectivity allow customs to allocate resources to high-risk shipments while increasing the efficiency of the clearance process for low-risk shipments.

ATAR's risk management expert prepared a database to compile, query, and analyze risk management data. This is a critical element in any risk management system, and something the State Customs Service lacked. All records and data regarding violators, information critical to writing effective risk management profiles, is in handwritten form – making analysis almost impossible.

ATAR demonstrated the database for the Deputy Chairman of the State Customs Service, and he acknowledged the importance of developing and populating such a database. ATAR input actual case data, showed customs risk management specialists how to input additional data, and demonstrated how to query the system and analyze data.

Post clearance audit: ATAR's post clearance audit expert met with the Kyrgz customs post clearance audit section to review its system and began working on adjusting the Kyrgyz post clearance audit handbook in July.

Post clearance audit is a method used to ensure that customs declaration have been completed in compliance with customs requirements through an examination of traders' systems, accounting records, and premises. Post clearance audits are an effective way to tackle the massive valuation issues faced by customs services in the region.

Port visits: In order to become more familiar with Kyrgyz customs operations, ATAR visited two customs processing locations, the Bishkek rail facility and the Manas Airport cargo facility in the first half of July. At both locations, Kyrgyz Republic customs officials provided an in-depth demonstration of their cargo clearance process, including demonstrating live processing with their information technology system.

In the second half of July, ATAR visited two customs checkpoints on the border with Kazakhstan. At both locations, customs officers demonstrated their processing and answered questions. ATAR determined vehicles were being released at an acceptable rate. A driver indicated he had no problems with processing time on the Kyrgyz side, but indicated problems on the Kazakh side. At both locations, there were long lines entering Kyrgyzstan. ATAR noted an impediment to trade facilitation was the requirement that all non-TIR truck must be escorted to their destination.

3. Tajikistan

Assessment of capacity for post-clearance audit: In the first half of July, ATAR completed an initial assessment of Tajikistan's customs code and regulations for undertaking post clearance audits. ATAR also consulted with the customs training unit regarding their requirements for technical training in audits and drafted a post clearance audit manual, including annexes of customs forms to be used in the audit process.

Assessment of capacity for risk management: In the latter half of July, ATAR completed an initial assessment of Tajikistan's customs code, regulations, and procedures for application of risk management principles.

ATAR determined that customs conducted risk management on a very limited basis using a very limited number of profiles. ATAR developed and installed a database to improve customs' capacity for the collation of information from which to derive intelligence for risk profiles.

WTO TFA assessment: In the first half of July, ATAR finalized the draft of the Tajikistan-specific assessment report of compliance with the WTO TFA. The assessment will help Tajikistan in preparing its official notification to the WTO on how it will comply with TFA requirements.

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved and new provisions to improve transparency, increase private-sector participation, and strengthen transit rights.

Harmonization of official trade documents: In the first half of July, ATAR finalized an analysis for harmonization of official documents required by Tajikistan's border agencies to support cross-border transactions. The harmonization exercise was a comparative analysis with the standards in the United Nations Layout Key, the Revised Kyoto Convention, the International Plant Protection Convention, and the World Organization for Animal Health.

Veterinary science risk analysis framework: In partnership with Tajikistan's Veterinary Inspections Service, ATAR drafted a risk analysis framework for the introduction of a risk management system that takes into account hazard identification, characterization of hazards, and risk characterization of animals and animal products. ATAR also developed a presentation introducing the internationally accepted principles of risk management and options for their integration to the operational processes of the Veterinary Inspections Service.

Follow-up to business-to-business forum in Dushanbe: ATAR continued throughout July to follow up with entrepreneurs who participated in the business-to-business forum in Dushanbe on June 23-24 to ascertain if contracts were proposed or finalized between the Tajik business community and delegates from Afghanistan, Kyrgyzstan, Kazakhstan, and Pakistan.

Presentation for ABBAT: In the second half of July, ATAR developed a presentation on WTO regulations for free transit for the Association of International Automobile Carriers of the Republic of Tajikistan (ABBAT) conference on "Logistics – a modern approach to the revival of the Great Silk Road" – a

national event to be convened in Tajikistan in early August.

4. Turkmenistan

Trade opportunities in Turkmenistan: ATAR continued to identify Turkmen import and export opportunities for regional trade as well as Turkmen traders interested in trading with other Central and South Asian countries. ATAR also tracked legislative and institutional developments in Turkmenistan concerning trade, WTO, and export development.

In the first half of July, ATAR completed translation of the Turkmen customs code to be used as basis for conducting a conformity assessment with the WTO TFA, the Revised Kyoto Convention, and other WTO-relevant agreements.

5. Uzbekistan

Action plan: In the first half of July, ATAR revised its action plan for launching activities in Uzbekistan focusing on priorities of the Uzbek government that fall within ATAR's scope.

6. Cross-Cutting

Astana conference: ATAR participated in the Astana Conference on Expanding Central and South Asia's Regional Trade organized by USAID's Marco Economic Project (MEP) on July 1-3.

ATAR delivered five presentations: 1) Progress and Challenges in Securing Alternative Transit Routes for CAR/Afghanistan; 2) Lessons for WTO Acceding Countries; 3) Overview of Bali TFA; 4) Current State of Implementation in Central Asia and Afghanistan; and 5) Trade Potential among the Countries of Central and South Asia. In addition, ATAR moderated a session on tariffs and non-tariff barriers to trade and the future of Central Asian manufacturing

MOU among chambers of commerce: ATAR prepared a draft MOU in early July for consideration by regional country chambers to strengthen cooperation, including information sharing and cooperation on resolving trade, transit, and transport issues in the region.

The MOU was based on meetings at the margin of the business-to-business event in Dushanbe with the Chamber of Commerce and Industry of the Republic of the Kyrgyz Republic, the Chamber of Commerce and Industry of the Republic of Tajikistan, the Pakistan-Afghanistan Joint Chamber of Commerce and Industry, and the Kabul Chamber of Commerce and Industry.

MOU on customs cooperation on risk management: Based on consultations with respective customs authorities, ATAR prepared a draft regional MOU in early July on exchange of intelligence and information for the purpose of enforcement and strengthening of risk management among Afghanistan, the Kyrgyz Republic and Tajikistan. ATAR is in the process of discussing details with Tajikistan, Afghanistan, and Kyrgyz Republic customs administrations.

Component 2: Looking Forward

- Promote signing of MOU between Afghanistan and Tajikistan on customs cooperation
- Finalize the draft MOU on customs risk management between Afghanistan, Tajikistan, and Kyrgyzstan
- Finalize the MOU between relevant Tajikistan, Kyrgyz Republic, Pakistan, and Afghanistan Chambers of Commerce on establishing a platform for cooperation
- Support the effort to build capacity for post-clearance audit of the State Customs Service in Tajikistan.
- Continue to develop presentation materials to support the introduction of a veterinary science risk analysis framework
- Prepare a presentation on the WTO regulations for free transit for the conference "Logistics – a modern approach to the revival of the Great Silk Road."
- Complete assessing the Kyrgyz Republic on post-clearance audit needs and capacity.
- Work on TFA assessment for Turkmenistan.
- Continue working on a study on identifying goods of interest to regional traders.
- Provide training on global logistic and value chain management on July 15-27 at EPAA.
- Meet with the Director General of MOCI's International Trade Department to discuss training for commercial attachés regarding export promotion and foreign investment attraction.
- Continue supporting EPAA in gathering information about the tariff on handicrafts for different countries.
- Draft a questionnaire for determining the regional competitiveness of Afghanistan's transport and logistics sector
- Develop TIR awareness and introductory materials for seminars in Kabul with the Ministry of Transport and Civil Aviation.

Customs 3a: Improved Tax Administration

VAT work plan: ATAR waited for feedback on the value added tax (VAT) portion of the project work plan.

Customs 3b: Improved Customs Reform

ANCA support: In consultation with ACD senior management and the Afghanistan National Customs Academy (ANCA), ATAR completed development of a database to cover all of ACD's training and capacity building efforts. Officials will be able to access the detailed online database from anywhere and can update the database on a daily basis.

To ensure the database meets the needs of the counterpart, ATAR supported the formation of a working group comprising two ANCA trainers, the ATAR training specialist, and the ATAR database developer to meet on a regular basis. ATAR also developed training modules that will be shared with ANCA after a final internal review.

ACD advised ATAR that planned train-the-trainer courses were not required as these types of event were already being delivered to ACD trainers in Kazakhstan and Azerbaijan. However, ACD agreed to ATAR

undertaking an assessment of ANCA trainers who had completed these courses to ensure there were no gaps in capacity. ATAR began this evaluation in July and will draft a report for ACD outlining additional training needs.

Training needs assessment: In partnership with ACD, ATAR completed a training needs assessment (TNA) of staff within inland clearance depots (ICDs) at Hairatan, Herat and Jalalabad and at the Torkham Gate border crossing point (BCP). The results of this TNA have been recorded in a database; ATAR is drafting a report that documents the findings of the TNA and will provide the report to ACD with the data in the database.

The majority of respondents requested additional training in areas such as tariff, customs laws and procedures, valuation, risk management, ASYCUDA, cargo examination, and anti-smuggling. About30 percent of the respondents requested this training be provided outside of the country.

BMM review: In coordination with the ACD's Director of Operations and relevant authorities from the Afghan Border Police (ABP), ATAR began an assessment of areas where the Border Management Model (BMM) was implemented.

As of the end of July, ACD, ABP and ATAR completed the BCPs at Sher Khan Bandar and Hairatan. The review will also include Islam Qala, Torkham, Kabul International Airport (KIA), and Aquina BCPs and will be expanded to include BCPs at Spin Boldak and Zaranj if security permits. Upon finalization of the review, expected in mid-August, ATAR will draft a report that identifies any non-compliance and will include recommendations for change.

Gender awareness training: ATAR met with the MOF's Director of Support and Development and the Gender Unit to discuss gender awareness training needs. Both confirmed they required assistance in the development and delivery of training material for ACD.

Following this meeting, ACD allocated a relevant manager as a point of contact to work with ATAR to help develop and deliver this material. ATAR is working in partnership with ACD to develop material and guidance notes. ATAR and ACD will work with ANCA trainers so they can deliver the training independently.

Enforcement training plan: ATAR finalized a comprehensive training plan for the ACD Enforcement Directorate in the first half of July. The objective of this plan is to ensure sustainability of training through the eventual transfer of all necessary skills and knowledge to ANCA by ATAR.

In order to ensure accountability and a consistent approach, the plan outlines the roles and responsibilities of ACD and ATAR and provides a summary of training courses with delivery dates and milestones. ACD's Director of Enforcement gave his support and recognized the plan as a useful tool to ensure accountability from ACD and to track progress. ATAR completed translating the document into Dari by the end of July and will present the plan to ACD for final review and approval.

Risk management: ATAR continued to support and monitor the operation of risk management ICDs in Jalalabad, Hairatan, Herat, KIA and Kabul.

In the first half of July, ATAR secured some regional ASYCUDA information through local connections; the data showed usage of the green lane, which is immediate clearance of goods, is slowly increasing. ATAR is still waiting for a comprehensive set of data from all locations prior to finalizing a report on risk management implementation.

The Director General has now authorized the release of this information to ATAR, and the Director of Enforcement has subsequently requested a meeting to discuss requirements. The Director of Enforcement reaffirmed his commitment to working with ATAR to improve risk management. The Director General also stated that risk management was a priority for ACD.

Mobile verification teams: ATAR met with ACD's Director of Enforcement following reports from traders that some were being charged an additional 4 percent duty by mobile verification team (MVT) officers at Jalalabad ICD. During this meeting the Director spoke with the relevant MVT Manager by phone and ordered that this practice be immediately stopped. The Director of Enforcement has since said the issue has been resolved.

Workshop on ATAR work plan: Following concerns raised by senior ACD management about project ownership, ATAR conducted a workshop on July 23 to present ATAR's work plan for customs activities to ACD management.

ATAR and ACD agreed on almost all items of the work plan, and ATAR noted ACD's requests for the second-year work plan. ATAR will have weekly meetings with ACD directors in the future, and ACD requested USAID's presence in the weekly meetings. It was also decided that monthly meetings should be arranged with USAID to discuss ATAR customs activities more broadly.

The items agreed upon during the meeting include the following:

- Restrictions placed upon moves to ACD due to security are outside of the control of ATAR staff;
- ATAR and USAID will meet with the four grade 2 directors on a weekly basis;
- USAID will meet with the four grade 2 directors on a monthly basis;
- All tasks outlined within the C3 work plan were accepted and identified as being important for ACD. Furthermore, all tasks were identified within the ACD 5 Year Strategic Plan;
- ACD requested a presentation on all other customs-related activities undertaken by the other ATAR components;
- E-Pay was identified as being important but ACD did not regard implementation as a priority;
- USAID would try to identify additional funding for ANCA via other donors or existing mission funds.

Component 3: Looking Forward

- Await formal approval and/or feedback on the VAT work plan that directly supports ACD.
- Reschedule presentation on the ATAR work plan to Director General of Customs and ACD senior management after prior cancellation.
- Continue regional work with ACD to identify existing risk profiles and resulting selectivity rates

in areas where risk management has been rolled out.

- Discuss regional difficulties with the Director General.
- Continue trainer assessments to evaluate competencies of ANCA trainers.
- Continue work on drafting a business and training plan for ANCA to take into account the Border Management Task Force's (BMTF) departure. This cannot be finalized until operations and maintenance costs are received from the BMTF.
- Prepare an action and sustainability plan for reinstating the national blueprint of streamlined customs procedures in the regions.
- Continue to work with the ACD, Da Afghanistan Bank, and USAID in efforts to commence implementation of E-Pay.
- Upon receipt of the necessary ASYCUDA data, finalize the national review of risk management implementation in the ACD.
- Continue with the review of the BMM and assess compliance at Aquina and Islam Qala;
- Upon finalization of the translation, submit the enforcement training plan to ACD for final review and approval.
- Assist ACD in developing a risk management presentation for delivery to GIROA counterparts to highlight the work of ACD and invite key counterparts to engage.
- Continue to assist ACD in the completion of time release studies at regional ICDs.
- Continue to assist ACD in the development of gender awareness training.
- Assist the ACD in developing a self-assessment questionnaire that identifies existing issues faced by female employees.
- Meet with the Director General to discuss creation of a professional standards unit charged with identifying and investigating allegations of officer corruption.
- Meet with the DG to discuss creation of an internal audit department within headquarters to review existing processes and procedures within the ACD and compare them against actual practices.

Rolling Calendar					
Date	**Event**	**Participants**	**Location**	**Comp-onent**	**Comments**
August 7-9	"Logistics – a modern approach to the revival of the Great Silk Road" conference	Transporters	Kayrakum, Tajikistan	C2	Organized by ABBAT
August 4-7	U.S. Patent and Trademark Office/Global Intellectual Property Academy training	15 Afghan officials, two ATAR lawyers	Virginia	C1	ATAR's participation is pending USAID approval.
August 18-22	Workshop on TIR Convention	IRU/ECO/Pakistan ICC	Islamabad, Pakistan	C2	
August 24-25	Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting	13 Afghan officials, 13 Pakistani officials	Islamabad, Pakistan	C2	
August 27	White City Trade Show	Five Afghan traders ATAR local staff in Tajikistan	Ashgabat, Turkmenistan		
November	**Afghanistan's Fifth Working Party meeting**	**Afghan government officials**	**Geneva, Switzerland**	**C1**	**Tentative**
October 29-30	Central Asia Trade Forum	EPAA	Almaty, Kazakhstan	C2	Organized by REC, ATAR will support.
November 5-7	**World Food Exhibition**	**EPAA**	**Almaty, Kazakhstan**	**C2**	

* Bolded items indicate the presence of high-level officials or media.

ATAR INDICATOR TABLE

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (CSO) report)	$9.2 billion in 1392 excluding transit (CSO)	Track-ing only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). Note: Total volume of trade in 1392 was $9.2 billion based on CSO data, which included import ($8.7 billion) and export ($515 million).
2	Value of gross domestic product (GDP)	Outcome/ Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$21 billion in 1391 (CSO report)	$21.2 billion in 1392 (CSO)	Track-ing only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. Note: Based on a CSO report, the total value of Afghanistan's GDP in 1392 was $21.2 billion.
3	Ratio of foreign trade in GDP	Outcome/ Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank)	Import 47% Export 6% 2013 (World Bank)	Track-ing only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported next quarter	Track-ing only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$515 million in 1392 (CSO)	Track-ing only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** Based on CSO, the total value of export 1392 is $515 million. **Disaggregation by Country:** Pakistan = $198 million India = $102 million Iran = $42 million Turkey = $35 million UAE = $26 million Iraq = $23 million China= $20 million Turkmenistan = $14 million Netherlands= $12 million Germany=$9 million Others = $34 million
6	Value of imports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$8.7 billion in 1392 (CSO)	Track-ing only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on CSO data, total value of Afghanistan import in 1392 was $ 8.7 billion. **Disaggregation by Country:** Pakistan = $1.7 billion Iran = $1.5 billion UAE = $1.2 billion Turkmenistan = $640 million Uzbekistan = $582 million Russia = $520 million China = $437 million Kazakhstan = $324 million India = $147 million Malaysia = $122 million Japan = $84 million Others =$1.3 billion

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184	Track-ing only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/ Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164	Track-ing only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
9	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/ Impact USAID requested indicator	None	GIROA	Annual	27%	27% (ACD and CSO report 1392	20%	10%	It is crucial to have reliable trade related data for policy and planning. ATAR will support ACD and CSO to harmonize trade related data between the two organizations. **Note:** Based on trade statistics data from ACD and CSO for the year 1392, the overall discrepancy was 25% (import 27% and export 23%).
PIR1.1: WTO accession process finalized										

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarter-ly	0	8	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement. The eight legal acts in the project results are: 1. Plant protection and plant quarantine submitted to the Council of Ministers by MOJ 2. Law on animal health and veterinary public health submitted to MOJ by MAIL 3. Law on geographical indications submitted to Council of Ministers by MOJ 4. The law on trademarks approved by Council of Ministers and submitted to Parliament 5. Amendments to the 2005 customs law submitted to Council of Ministers by MOJ 6. Amendments to the patents law submitted to Councils of Minister by MOJ 7. The procedure on intellectual property border enforcement submitted to the Minister of Finance for signing 8. The procedure on intellectual property border enforcement adopted and came into force on April 12, 2014

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quarter-ly	0	7	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR in Afghanistan. The reforms reflected in the project's results to date are: 1. Institutional proposal accepted by MOCI for establishing a Safeguard Unit 2. CITS developed for Kyrgyzstan 3. Five International Standard Organization (ISO) mirror committees established (1. food;2. textile and leather; 3. metrology 4:construction, and 5. petroleum products and lubricants).
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarter-ly	0	6	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level (including by working group) with ATAR support. This mainly refers to the first draft finalized at the Ministerial level. The draft legislative items in the results to date are six regulations related to implementation of the food safety law: 1. Operation of the Food Import Control System; 2. Exchange of Information in Food Safety Emergency Situations; 3. Exchange of Information between the GIROA and Exporting Countries Regarding the Rejections of Imported Food; 4. Determining Equivalence of Sanitary Measures; 5. Obtaining a Food Businesses Identification Number; 6. Protection of Privacy
PIR 1.2: WTO implementation process developed and executed										

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Month-ly	0	52 (Participants: 568 - 480 male and female 88 female)	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, round table discussions and other trade gathering.
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarter-ly	0	7	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator. The results to date include: 1. Consultative meeting with fruits and vegetable businesses at CABOC 2. Consultative meeting with handicraft, carpet, gemstones and marble businessesat CABOC 3. Consultative meeting with women businesses at CABOC 4. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 5. Consultative meeting with KCCI regarding customs valuation practices 6. Working group for development of implementing regulations for food safety law 7. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Month-ly	0	2	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses Awareness seminars to date include: 1. WTO awareness seminar for MOJ 2. Awareness about regional opportunities (Dushanbe business-to-business event)
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator / Output USAID requested indicator	Province	Project records	Quarter-ly	0	2	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
18	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey	To be determined (TBD) from perception survey	10% in-crease	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted in Year 1 of the project to collect baseline information and annually thereafter targeting the same group
PIR 2: Regional and global integration enhanced										

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records and MOCI	Quarter-ly	0	3	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support. 1. Transit and Transport Agreement with Azerbaijan launched 2.Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/ gender	Project Record and (EPPA)	Month-ly	0	264 firms = 47 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, 107 businesses from Dushanbe business-to-business event	80 firms	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/ Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Track-ing only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	3	6	24	This indicator will capture the number of interactions and dialogues between the businesses and government organizations in the region on policy reform issues. 1. Two trade facilitation workshops in Kyrgyzstan in April and June 2014 2. Session during Dushanbe business-to-business event related to policy reform involving businesses and government representatives

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays
24	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	$1,580 Corridor 5, $719 Corridor 6 (2012)	The project will report this indicator once the CPMM report for 2013 published by ADB	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included. Note: Based on the CAREC Program Development Effectiveness Review Report 2012, the cost to travel 500 km per 20 ton is: Corridor 5 = $1,580 Corridor 6 = $719
25	Percentage share of trade with regional partners	Outcome/ Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator will capture the share Afghanistan trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan
26	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$ 157 (2012)	The project will report this indicator once the CPMM report for 2013 published by ADB	Tracking only	Tracking only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the average cost of crossing border is $ 157
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
27	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million in 1392	Track-ing only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** Based on an MOF performance report, the customs revenue in 1392 is Afs 49.4 billion = $875 million
28	Number of permanent professional positions allocated for women within ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarter -ly	77	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
29	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quarter -ly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue , performance of core functions, and facilitation of trade improved										
30	Average Customs processing time (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported in next quarter	TBD based on number of steps remove d	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
31	Number of documents/proced ures required to import and export	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10, import 10, export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2014)	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
32	Time to export and import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	85 days, import, 81 days, export (World Bank Doing Business report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.
33	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline.
34	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management.
Cross – Component Indicators										

#	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project to date (Nov 2013 to July 2014)	Year 1 Target	Life-of-Project Target	Notes
35	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Month-ly	0	52 trainings 904 participants including 750 male and 154 female 941persons days of training	30 trainings/ 300 particip ants	120 trainings/ 1,200 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training.
36	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Month-ly	0	6,589 (Male 5,256 female 1,333)	1500	6000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40. This target for this indicator is set based on indicator No. 46 (# of trainings) assuming that each ATAR-led training maybe be on an average 5 hours.

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Afghanistan Trade and Revenue (ATAR) Project

Monthly Report (May 1–31, 2015)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also works in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan and has activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

May 1-31 Highlights

- Afghanistan Customs Department and Da Afghanistan Bank launched the pilot phase of a system that enables the electronic payment of customs duties. The system, which will allow traders to pay their duties from any commercial bank, will focus on Kabul Inland Clearance Depot and Hamid Karzai International Airport and then be rolled out nationwide.
- The Afghan government made progress in advancing WTO-related legislative reforms. President Ghani endorsed the amendments to the trademarks law and the amended law entered into force in Afghanistan. In other significant developments, the draft law on plant protection and quarantine proceeded from the Lower House to the Upper House, and the draft amendments to the patents law proceeded from the Ministry of Justice to the Council of Ministers.
- In partnership with the Export Promotion Agency of Afghanistan and the Ministry of Commerce and Industries, ATAR organized a seminar called "Promoting Afghan Exports to South Asia: Opportunities and Challenges" in Kabul. More than 80 traders and government officials discussed increasing Afghanistan's exports to the booming markets of South Asia. Minister of Commerce and Industries Humayoon Rasaw and Indian Ambassador Amar Sinha opened the seminar.
- ATAR organized and delivered four days of training benefiting 21 officers of Uzbekistan's Customs Committee. This was the first event of any kind held by USAID directly with Uzbek customs for more than a decade. The program aimed to familiarize Uzbek customs with a range of modern border management concepts.
- ATAR conducted two seminars on WTO post-accession for MOCI's WTO Unit and other stakeholders. The seminars were part of efforts to increase understanding of WTO and ongoing responsibilities after Afghanistan becomes a member of WTO.
- ATAR delivered two days of training on how to complete the Transports Internationaux Routiers (TIR) carnet for 24 participants from ACD and the Afghanistan National Customs Academy. The TIR is a customs transit system that simplifies the movement of cargo across international borders.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: Afghanistan's fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government.

2. Legislative Reforms for WTO Conformity

WTO-related laws: During May, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table provides the status of WTO-related legislative items supported by ATAR as of the end of May 2015. ATAR's active areas of support during the month are highlighted in light blue and laws that have changed status are bolded.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[3]
1	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Legislative Committee of the Council of Ministers in March 2014. The draft is under review.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

	charge valuation)				
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance will adopt the procedure after the draft customs law is adopted. In April 2015, ATAR provided ACD's Director General and ACD's Tariff and Legal Department with additional clarification on the procedure and its significance to further the legislative process.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	ANSA provided a revised version of the law in late March. In early April, ATAR reviewed the revised law. ATAR identified a number of WTO inconsistencies and shared comments with ANSA.	Sponsoring Ministry	No[4]
5	**Law on Plant Protection and Quarantine**	**Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores**	**On May 12 and May 24, the National Economic Commission of the Lower House held sessions to discuss questions on article 10 of the draft law regarding MAIL's issuance of permits and the fee charged. Upon MOCI's request, ATAR provided clarifications.** **Participants accepted that MAIL can grant permits based on article 10 with a reasonable fixed fee per imported plant or plant-related shipment. A paragraph was added to article 10 to indicate that the general export and import license shall be issued by MOCI and the import permit for plant-related shipments shall be issued by MAIL. On May 25, the Lower House approved the draft law; the law will next go to the Upper House.**	**Parliament**	**Yes**
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	In the prior quarter, ATAR assisted MOJ's Education, Culture, and Health Department in conducting several meetings on the draft law. Once the technical review is finalized, the law will proceed to MOJ Executive Committee.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During the second half of May 2015, MOJ's Legislative Executive Committee had two sessions on the food safety law. The committee had comments and made amendment to the draft law. ATAR provided counterproposals to the MOJ comments and answered questions.	Ministry of Justice	Yes

[4] Although not on 1393 or 1394 agenda, the MOJ has nonetheless agreed to consider the draft law on standards and technical regulations.

8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	**Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)**	**Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier**	**On May 20, 2015, MOJ submitted the patents law to the Legislative Committee of the Council of Ministers for its review.**	**Council of Ministers**	**Yes**
10	**Amendments to the Law on Trademarks of 1 September 2009**	**MOCI Wali Faqirzaad Polly Maier**	**In January 2015, the draft was approved by the Upper House and sent to the Office of the State Minister for Parliamentary Affairs. On Feb. 10, 2015, the President endorsed the law. The law has been sent to MOJ for publication. The trademark law was adopted on May 20, 2015.**	**Entry into Force**	**Yes**
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Legislative Committee of the Council of Ministers approved the draft, instructing MOJ to check certain terms. The Afghanistan Development and Peace Research Organization proposed changes. In January 2015, MOJ asked ATAR to check if the amendments were WTO consistent. ATAR found some violate WTO. ATAR, MOIC, MOCI, and the organization met last quarter to try to reach an agreement.	Council of Ministers	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	The Upper House of Parliament approved the law on April 7, 2015. On May 23, the Upper House and Lower House held a joint meeting to finalize the name of the law. There were reports that some changes occurred on the name of the law and its contents. Due to confidentiality, ATAR does not yet have access to the changes discussed.	Parliament	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	On May 2, 2015, MOJ's Deputy Minister called upon ATAR to provide a clearer definition for textile goods. On May 6, 2015, ATAR assisted MOJ with a revised definition consistent with WTO.	Ministry of Justice	Yes
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	On May 27, 2015, MOJ sent the draft amendments to the Supreme Court of Afghanistan for review. Upon completion of the review by the Supreme Court, the draft amendments will be sent to MOJ and working groups will start.	Ministry of Justice	Yes

15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	During May, ATAR met with MOJ's Commercial and Private Sector Department and explained the draft law and answered questions. MOJ accepted the draft with some changes, which ATAR is reviewing to ensure consistency with WTO requirements.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	On April 3, 2015, ATAR succeeded in including the law in MOJ's legislative action plan for the Afghan year 1394. MOJ sent the plan to the legislative committee of the Council of Ministers for approval. During April 2015, the Council of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	MOJ's Legislative Executive Committee reviewed the law in the past quarter. ATAR provided technical assistance to MOJ during review. The law is now with the Minister of Justice for his review.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. In November 2014, ATAR conducted a workshop at MAIL to improve understanding of the law and discuss the impact assessment.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In April, MOJ's Executive Committee completed its review of the law. On May 3, 2015, the amendments were submitted to the MOJ Deputy Minister for his review.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	During April 2015, ATAR analyzed questions raised by MOJ's Legislative Committee and prepared clarifications.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature.	Sponsoring Ministry	N/A

24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	On May 11, ATAR met the Director of Avicina Pharmaceutical Institute and explained that discriminatory fees do not protect domestic investments and are inconsistent with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR met with the Afghan Revenue Department (ARD) to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	During May, ATAR assisted MOJ in reviewing the draft law.	Ministry of Justice	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on August 11. The law is published in the official gazette.	Entry into Force	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Copyright law enforcement coordination procedure: On May 6, ATAR met with MOIC, ACD, the Ministry of Interior, and Attorney General's Office and discussed the copyright law enforcement coordination procedure. The authorities accepted the coordination procedure, which was drafted by ATAR and outlines the duty of each relevant agency in enforcing the copyright law. They agreed to sign a memorandum of understanding (MOU) in support of the procedure. ATAR prepared the draft MOU and shared it with MOIC for finalization and distribution to the agencies.

Plant protection and quarantine law: In the first half of May, ATAR conducted five days of training for 27 members of MAIL's Plant Protection and Quarantine Department (PPQD) on conducting Pest Risk Assessments (PRAs) that will help support implementation of the plant protection and quarantine law.

ATAR provide training that covered different scenarios from Canada, Australia, the United States, Europe, and Latin America. Participants formed three groups following the training, and each group is expected to conduct one PRA on an important commodity for Afghanistan so they can apply their training. ATAR will continue coaching the process long-distance by facilitating access to journal articles, pest databases, and supporting the writing process. The initial PRAs are expected to be complete by the end of September 2015. ATAR will then support a second round of PRAs.

On May 25, ATAR conducted a working group to review procedure four of the manual of procedures for plant protection regulation and quarantine. The technical team of PPQD and representatives of the private sector and MOCI reviewed the procedure, and suggestions were recorded for further development of the procedure.

Trademark law: On May 19 and May 26, ATAR and MOCI's Afghanistan Central Business Registry-Intellectual Property (ACBR-IP) delivered two awareness seminars on trademarks to 32 members of academia in Kabul, and, on May 20, ATAR and ACBR-IP delivered an awareness seminar on trademarks to seven members of ACD.



ATAR delivered awareness seminars on trademarks to members of academia.

Each awareness training program covered the meaning of intellectual property, function and types of trademarks; marks that cannot be registered, confusing marks, and prohibited marks. This program helped participants understand the importance of trademarks in terms of economic development and consumer protection.

On May 28, ATAR provided on-the-job training for staff of ACBR-IP in performing trademark functions, including examination, classification, and registration. ATAR also prepared a document on automated trademark registry, including structure and functions of a database, and submitted the document to ACBR-IP in Dari and English.

Patents training: On May 3 and May 4, ATAR delivered two awareness seminars on patents to 30 members of the private sector to help support implementation of the patents law. Each seminar covered an introduction to patents, patentable subject matter, non-patentable subject matter, criteria for patentability, exceptions to patent rights, and other topics. The seminars helped raise awareness of patents in the private sector.

On May 28, ATAR provided on-the-job training on patents examination and registration for staff of ACBR-IP. ATAR also submitted to ACBR-IP the Dari and English versions of a document on patents registry to support development of the registry. This document covers both manual and electronic registration of patents. In addition, ATAR delivered, in Dari and English, awareness materials on patents to MOCI.



ATAR delivered awareness seminars on patents to members of the private sector.

Geographical indications law: On May 28, ATAR assisted ACBR-IP in further development of implementing regulations to support the draft geographical indications law and assisted in advancing development of rules governing the registrar of geographical indications.

Food safety procedure: On May 5 and May 19, ATAR supported two working group meetings at MOPH to review the procedure for food hygiene practices for manufacturing, packing or holding. This procedure would support implementation of the food safety law.

Representatives of MOPH, MOCI, Export Promotion Agency of Afghanistan (EPAA), the National Environment Protection Agency (NEPA), the private sector, and Kabul University participated in the meeting

Animal health procedures: On May 6, May 20, and May 27, ATAR assisted MAIL's Animal Health Directorate in conducting working groups to review the procedure on sanitary measures for the import and transit of horses, donkeys, and mules. This procedure would support the law on animal health and veterinary public health.

Participants included staff from MAIL's Animal Health Directorate, MOCI, and government border inspectors. Participants reviewed the procedures and made suggestions for improvement.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Metrology framework: ATAR prepared terms of reference (TOR) for supporting ANSA in developing a legal and institutional framework for national metrology. The TOR is pending approval.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

Post-accession WTO Unit: On May 9 and May 11, ATAR conducted seminars on WTO post-accession for MOCI's WTO Unit and other stakeholders. Thirty-one government officials, including seven women, from MOCI and other relevant ministries attended the May 9 presentation, and more than 30 people, including five women, attended the second on May 11.

The seminars were the final of three seminars to increase understanding of WTO and ongoing responsibilities should Afghanistan become a member of WTO. The series is a coordinated technical transfer effort in conjunction with a paper called "WTO Unit – Post-Accession Structure for Afghanistan's Ongoing Effective WTO Membership and Participation" that has been submitted for discussion to MOCI top management.



ATAR conducted seminars on WTO post-accession for MOCI and other stakeholders.

6. Assist in Building Analytical Capacity

Capacity building in TPAU: ATAR assisted MOCI's Trade Policy Analysis Unit (TPAU) in trade analysis of the sensitive goods of Afghanistan and Pakistan under the South Asian Free Trade Area (SAFTA) agreement.

The analysis was based on economic models that included the latest data of ACD and the Central Statistics Organization (CSO) on Afghan exports and imports. ATAR worked with TPAU to prepare a list of goods that are of potential interest to Afghan exporters, and Afghanistan will request those items be removed the sensitive lists of Bhutan, Bangladesh, and Sri-Lanka.

ATAR also assisted the TPAU in preparation of its five-year (2010-2015) trade policy review. ATAR and TPAU prepared two drafts: one focused on tariff, import/export/transit data, and economic impact; and 2) the other describing the impact of trade agreements and profiles of Afghanistan's main trade partners.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting
- Continue support to advance WTO-related draft laws to meet WTO requirements
- Provide support to MOJ's Executive Committee to review the draft food safety law
- Continue to review procedures to support the draft food safety law with MOPH
- Continue supporting development of regulations and procedures related to sanitary and phytosanitary laws at MAIL and MOPH
- Provide support to MOJ's Finance and Economic Committee to review the draft safeguards law
- Continue to work with MAIL to advance development of implementing regulations and procedures for the law on plant protection and the law on animal health
- Assist MAIL's Animal Health Department to conduct working groups regarding animal health procedures
- Launch metrology support to ANSA once terms of reference is approved

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

1. Afghanistan

Seminar on promoting Afghan exports to South Asia: On May 12, ATAR assisted EPAA and MOCI in organizing a seminar called "Promoting Afghan Exports to South Asia: Opportunities and Challenges" for more than 80 traders and government officials.

Minister of Commerce and Industries Humayoon Rasaw, Indian Ambassador Amar Sinha, and Deputy Minister of Agriculture, Irrigation and Livestock Salim Khan Kunduzi were a few of the officials who opened the seminar. MOCI's Director General of International Trade chaired the sessions. He and the First Secretary of Commerce of the Indian Embassy joined representatives from USAID projects such as ATAR, the Commercial Horticulture and Agriculture Program (CHAMP), the Financial Access to Incentives for Investing in the Development of Afghanistan (FAIDA) project, the Assistance in Building Afghanistan by Developing Enterprises (ABADE) project, and the Regional Agricultural Development Program-South (RADP-South) in responding to questions raised by exporters during the panel discussion.



Minister of Commerce and Industries Humayoon Rasaw opened the seminar on promoting Afghan exports to South Asia.

EPAA: ATAR worked on developing product-specific export promotion, marketing, and branding strategies for Pakistan. ATAR expects the initial draft will be completed and delivered to EPAA by July or August. ATAR prepared similar strategies for India and submitted them to EPAA.

ATAR also supported EPAA in initiating development of a national export strategy for Afghanistan through meetings with EPAA and the organization of a plan of action and meetings with stakeholders. ATAR met with the Afghanistan Chamber of Commerce and Industries (ACCI), the Afghanistan Investment Support Agency (AISA), and the Afghanistan National Standards Authority (ANSA) to discuss the strategy.

World Fair Milano 2015: ATAR helped support start-up of the Afghan Pavilion at Expo Milano, which began May 1 and will run to Oct. 31, in Milan, Italy.

ATAR met with partners in Milan; assisted in pavilion organization before the opening date and arrival of MOCI Deputy Minister Shinwari and his delegation; welcomed the Afghan delegation upon their arrival to Milan; and assisted in planning for the inauguration of the pavilion, which occurred May 3.

In Kabul, in the latter half of the month, ATAR and EPAA worked to prepare an agenda for meeting with potential sponsors for Expo Milano.



A visitor to the Afghan Pavilion looked at a display of Afghan saffron (left). Deputy Minister Shinwari cut the ribbon for the inauguration of the pavilion (right).

SAFTA preparations: ATAR began assisting MOCI in organizing the SAFTA agreement ministerial and expert meeting in Kabul from August 3-5. ATAR held two meetings with MOCI to discuss the logistics and communication materials for this event. President Ghani is likely to attend the ministerial meeting. This is the first time these meetings will be held in Afghanistan.

"Made in Afghanistan" brand: ATAR planned with RADP-South, CHAMP, EPAA, and the Federation of Indian Chamber of Commerce and Industries (FICCI) to hold a "Made in Afghanistan" event in India in the second half of year.

RADP-South, CHAMP, and EPAA will organize the event jointly with ATAR, and FICCI agreed to collaborate and organize logistics and other arrangements in India. Major Indian importers as well as about 30 Afghan exporters, mainly of agricultural products, will attend the event, which will launch a "Made in Afghanistan" brand.

One Stop Border Posts: ATAR held a presentation on May 25 at ACD to review a One Stop Border Post model developed with ATAR support. ACD gave its consent on proposed model but suggested obtaining approval from the Ministry of Finance before discussing the modality with other stakeholders. The One

Stop Border Post model would lay the groundwork for establishment and implementation of joint border customs controls at the border crossing points between Afghanistan and Pakistan.

TIR awareness workshop: On May 19-20, ATAR held a Transports Internationaux Routiers (TIR) awareness workshop for transport operators at ACCI. There were 21 participants in the first day, and 18 participants on the second day. Topics covered included the TIR system, benefits to transport operators, and the TIR carnet application procedure.

At ATAR's suggestion, participants agreed to meet regularly after the workshop to review and recommend action plans to encourage wider adoption of TIR. The participants will form a working group committee including representatives from ACCI, ACD, Ministry of Transport and Civil Aviation (MOTCA), Association of Afghan Freight Forwarding Companies (AAFFCO), and transport operators approved for TIR system. ACCI will be the secretariat, and the first meeting is planned in August. The working group committee will provide recommendations to the National TIR Technical Committee for policy formulation.

2. Kyrgyz Republic

WTO TFA: The Kyrgyz Ministry of Economy informed ATAR in May of the formation of a working group to oversee implementation of the WTO Trade Facilitation Agreement (TFA), based on information given by ATAR in two prior presentations.

The working group is composed of trade association members, the Chamber of Commerce and Industry, producers, the Ministry of Economy, and border agency personnel. A Deputy Minister of Economy will head the working group, which will be tasked with developing an implementation work plan and providing input into the formation of a National Trade Facilitation Committee. The Committee will oversee the implementation recommendations from the working group. ATAR will work with the working group and National Committee.

Authorized economic operators: ATAR completed its review of the Kyrgyz government resolution that is a regulation of the implementation of the activities of an authorized economic operator (AEO).

The review found the designed AEO system has no security features as specified by the World Customs Organization's Framework of Standards to Secure and Facilitate Trade (SAFE) program. The WCO would view it as a customs compliance program rather than an AEO program. The WCO states that a customs compliance program "could be a first step or stepping stone to a WCO SAFE AEO program."

Additionally, although it mentions simplified procedures, the designed system does not clearly define the advantages granted to AEO participants. ATAR is drafting a recommendation for a model AEO system based on the European Union system.

Single Window Enterprise: The Single Window Enterprise reported to ATAR that the Comprehensive Integrated Tariff System (CITS) software is operational. The Single Window Enterprise is in the process

of updating the database due to changes caused by the Kyrgyz Republic joining the Customs Union and will work on an application that will allow easy access to CITS from handheld devices.

Transport concerns: ATAR met with the IGCC Logistics Co. to discuss transport concerns in the region. IGCC transports goods, mostly to NATO, to Afghanistan. IGCC reported five challenges to transport: 1) Illicit payments required in Tajikistan; 2) Visas for drivers going to Afghanistan require at least 20 days to obtain and are only single entry; 3) Afghanistan requires payment of .15% of value for processing non-military cargo; 4) Security concerns; and 5) Lack of reliability on getting a load for the return trip without which the trip is not economically feasible. ATAR will facilitate raising these issues in appropriate fora and consider in year-three project programming.

3. Tajikistan

Support to the Tajikistan State Customs Service: ATAR translated and delivered to the Tajikistan State Customs Services the proposal for dialogue between Tajik customs and interested private-sector representatives on their obligations to comply with post clearance audit requests. Tajik customs will review these materials.

ATAR also developed presentation materials for a proposed roundtable on the WTO TFA and its common elements with the WCO Revised Kyoto Convention (RKC), targeting customs as the prime audience. ATAR intends to conduct the roundtable in partnership with GIZ, focusing on identifying customs regulations to be developed or improved to ensure compliance with international standards and recommendations.

In addition, ATAR developed a proposal to improve an existing regulation and program for the issuance of preliminary decisions (or "binding decisions" or "advance rulings"). The existing regulation was introduced in 2007, but the recent WTO TFA compliance assessment conducted by ATAR found Tajik customs is not applying the practice. The proposal will be translated and provided to Tajik customs, as an extension of the WTO TFA roundtable.

In the second half of May, ATAR translated and delivered to the Tajikistan State Customs Services the recommendations to improve the institutional settings of the Customs Post Clearance Control and Audit Unit and to effectively link the audit findings to the customs risk management system. Tajik customs will review these materials.

TIR seminar: ATAR participated in a regional TIR seminar with representatives from customs administrations of Azerbaijan, Turkey, and Tajikistan, and representatives of ABBAT, which is the Tajik national transport association authorized to issue TIR carnets. The main objective of the seminar was to analyze the status of implementation of the TIR Convention. The four-day seminar culminated in a visit to the Dusti border crossing point with Uzbekistan.

ATAR will continue discussion with ABBAT regarding its proposal to establish a TIR "green lane" window which could provide simplified acceptance, review, and release of documents for trucks coming to the Tajik border under TIR carnet.

4. Turkmenistan

WTO TFA: ATAR completed translation of the assessment of Turkmenistan's legal, regulatory, and institutional framework for conformity with the WTO TFA into Russian language. The report was submitted to USAID Turkmenistan on May 14.

Support to Export Promotion Institute: In response to interest from the Turkmen Export Promotion Institute on USAID's export promotion support, ATAR provided a note highlighting USAID activities in neighboring countries related to export promotion and suggestions for initial support. USAID sent the note to the institute, and ATAR is awaiting concurrence to launch preparation.

Trainings for Turkmen state bodies and associations: ATAR is awaiting concurrence of the Turkmen government for an anticipated seminar on the WCO RKC for the State Turkmen Customs Service and a seminar on export promotion strategies for the Institute on Research of Commodity Circulation of Turkmenistan's National Goods, the Institute of Strategic Planning and Economic Development of Turkmenistan, and the Chamber of Commerce and Industry of Turkmenistan. The trainings are awaiting approval from the Ministry of Foreign Affairs of Turkmenistan.

Meeting at the Ministry of Textile Industry of Turkmenistan: ATAR facilitated a meeting with the Chairman of Balkh Chamber of Commerce and Industry of Afghanistan and the Head of the Department of Foreign Economic Affairs of the Ministry of Textile Industry of Turkmenistan.

During the meeting, participants discussed the possibility of Turkmen textile factories supplying products to Afghanistan; the possibility of the Turkmen textile industry meeting Afghan buyers' needs and producing fabrics on demand in Afghanistan; and further cooperation between Afghan businesses and the Ministry of Textile Industry of Turkmenistan.

5. Uzbekistan

Customs risk assessment and management seminar: On May 12-15, ATAR delivered training for 21 officers of Uzbekistan's Customs Committee. This is the first event of any kind held by USAID directly with Uzbek customs for more than a decade.

The participants represented a cross section of customs disciplines including inspectors from land crossings and the airport, currency control, valuation, human resources, the training academy, and the Office of Internal Security.

The program aimed to familiarize Uzbek customs with modern border management concepts including risk management and assessment, advance information, AEOs, supply chain security, information exchange (customs-to-custom and customs-to-business), and compliance measurement.

Participants were divided into three groups on the fourth day and were assigned to develop an AEO program based on risk for Uzbekistan. The three groups completed the task and presented in the afternoon, demonstrating understanding of the concepts and how to apply them for facilitating trade and reducing the cost of doing business in Uzbekistan.





ATAR delivered training to 21 Uzbek customs officers.

ATAR provided a CD for each participant containing the presentations, RKC (English and Russian), WTO TFA (English and Russian), International Road Transport Union (IRU) Green Lanes (English and Russian),[5] and a list of essential fields for a customs risk management database.

Linkages with Afghan business: ATAR met with the Uzbek Chamber of Commerce and Industry to continue discussions for linking Afghan businesses with interested Uzbek businesses. ATAR also met with the Association of International Business and Technologies (AMBiT) to discuss the possibility of participating in a transport seminar planned for June 2015.

Component 2: Looking Forward

- Continue to support the Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA) process
- Continue development and finalization of modalities for Afghan customs at Karachi; transshipping in Peshawar; and a single border stop at crossing point Afghanistan-Pakistan
- Continue work related to advancing the ratification in Kyrgyz Republic of the Cross Border Transport Agreement (CBTA) protocol of accession of Afghanistan and facilitate transmission to Tajikistan
- Support the Tajikistan State Customs Service on the national strategy for coordinated border

[5] With model pilots from Moldova and Serbia-Bulgaria border crossings.

management, and their continuing efforts to comply with the WTO TFA
- Build capacity of Tajiks State Customs on post-clearance audit – translate and submit the developed materials and plan for training and outreach events to be conducted in August
- Support implementation of select provisions of trade facilitation in Kyrgyz Republic
- Complete a regional study on comparative advantages and trade complementarity
- Launch trade route mapping study linking Uzbekistan and India and Arabian Sea
- Launch free economic zones assessment
- Continue implementation of aspects related to South Asia strategy
- Continue promoting regional trade and customs initiatives with CAR
- Continue building EPAA capacity
- Meet potential sponsors and collaborators for Expo Milano 2015

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

ACD compliance strategy: ACD continued to review documents submitted by ATAR on the Internal Audit Unit and Professional Standards Unit that will form part of a comprehensive compliance strategy. ATAR will discuss the papers and the strategy further to progress implementation. If agreed upon, ATAR proposed the implementation of working groups to progress these initiatives.

Reduce corruption at ACD: In tandem with the ACD compliance strategy, ATAR regional staff continued to review areas where enhanced use of automated systems may help reduce opportunities for corruption and identify management controls that are in place and being utilized by ACD managers. The review will highlight best practices and identify any shortcomings and propose solutions.

E-payment: On May 30, ACD and Da Afghanistan Bank (DAB) launched the pilot phase of the electronic payment of customs duties. The pilot phase will concentrate on the Kabul Inland Clearance Depot (ICD) and Hamid Karzai International Airport (HKIA). This system will allow those importing goods at Kabul ICD and HKIA to pay customs taxes at any commercial bank in Afghanistan. On successful completion of the pilot phase, the remaining ICDs will be included.

ATAR helped ACD develop electronic payment educational posters that can be placed at ACD and commercial banks and assisted ACD in developing a press release. ACD, DAB and the Deputy Minister of Finance held a press conference on May 13 to announce the launch. Before the launch, ACD trained DAB staff on the accounting module of the Automated System for Customs Data (ASYCUDA), tested the connectivity between Kabul ICD and HKIA, and installed ASYCUDA software in DAB headquarters



Deputy Minister of Finance Gul Maqsood Sabit (center) spoke at the press conference announcing the launch of the electronic payment of customs duties.

Risk management: ATAR continued to monitor ACD's risk management in Kabul and the regions. After the completion of ATAR's train-the-trainers course for ACD Enforcement Directorate staff, nominated trainers will deliver ATAR's risk management training to the regions to build capacity.

ATAR undertook a joint visit with the Director of Enforcement to Herat. The risk management system was reviewed, processes checked, and meetings conducted with the local risk management group to discuss concerns and issues. It was ascertained there was an urgent need for basic risk management awareness and training. ATAR agreed to facilitate this training in June.

ATAR and ACD will conduct joint visits to Mazar and Jalalabad to ascertain the current status of risk management.

ATAR met with the Director Enforcement and Operational Intelligence Matter to discuss risk management and profiling and re-implementation of the national anti-smuggling hotline. To progress risk management and profiling, it was agreed that a working group would be implemented. The working group will be tasked to review existing profiles, improve targeting of non-compliant traders, and introduce international best practices.

ATAR is reconfiguring the hotline equipment, and the hotline will be reactivated upon completion. ACD senior management is addressing a concern regarding the lack of an adequate power supply to keep the system operational over the weekends.

MVT training: ATAR continued to liaise with ACD's Director of Enforcement and the Mobile Verification Team (MVT) Manager on the development of MVT training. The duration of the MVT training modules is four weeks. The objective is to develop competencies, knowledge, and skills of officers through classroom and practical training. ATAR is translating the material and trainers' notes into Dari. At the request of ACD, ATAR developed and is translating modules on airport training, coach search, vehicle search, and freight examination.

In July, ATAR will deliver a workshop that will focus on how to deliver the MVT training modules. At the end of the training, ATAR will liaise with the Director of Enforcement and Afghanistan National Customs Academy (ANCA) to formulate a plan to deliver the MVT training course to all MVT staff.

Streamlined customs procedures: ATAR regional customs specialists continued to monitor the current number of procedures at ICDs compared to the national blueprint for streamlined import procedures, which contains thirteen steps.

ATAR continued to report on the status of streamlined procedure compliance at the following ICDs: Kabul, HKIA, Jalalabad, Herat, and Hairatan. The report, which will be forwarded to ACD management, will identify non-compliant steps and the reasons they were introduced. The latest status report highlights that all ICDs have introduced additional steps.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	5	2
New steps introduced	4	1	6	N/A	7
Total Additional Steps	5	7	7	5	9
TOTAL	18	20	20	18	22

In addition to the above, ATAR is also reporting on the release times of consignments which are allocated to either the green lane (release), yellow lane (documentary check), and red lane (examination). The latest release times are shown below.

	Green	Yellow	Red
Herat ICD	45 Minutes	1 Hour	3 Hours
HKIA	50 Minutes	1 Hour 8 Minutes	1 Hour 15 Minutes
Jalalabad ICD	1 Hour 25 Minutes	1 Hour 38 Minutes	2 Hours 10 Minutes
Balkh ICD	1 Hour	1 Hour 30 Minutes	2 Hours
Aquina ICD	50 Minutes	1 Hour 30 Minutes	2 Hours

Shir Khan Bandar	1 Hour	1 Hour 20 Minutes	2 Hours 30 Minutes

ANCA support: ATAR developed and delivered a train-the-trainers course to 10 staff from ANCA and the ACD Enforcement Directorate. In addition to this ATAR has developed workshops on "How to Deliver" for the following training modules: mobile verification teams, risk management, intelligence, ASYCUDA profile request forms, selectivity and targeting, and pocket notebooks. The workshops are scheduled for June and July. After delivery, ACD will be able deliver the training modules to all staff in those work areas.



An ANCA employee practiced his presentation skills during ATAR's train-the-trainers course.

ATAR continued to draft the customs training curriculum based on international best practices. The curriculum will cover management, professional, and operational competencies as well as training plans.

ATAR continued to support ANCA in implementing best practice administrative guidelines and is in the final stages of drafting the instruction manual. ANCA trainers continued to review their own training material to agree on the latest versions, which will be transferred to the shared drive, exclusively for ANCA.

Post clearance audit analysis: ATAR continued to support the development of the Post Clearance Audit (PCA) Department and met with the Director Operations to follow up on discussions regarding a "top-down" approach to building the capacity of the PCA units.

The meeting resulted in action points for ATAR and ACD. Areas highlighted in earlier discussions include legislative review and amendment; team mandate – compliance not revenue collection; geographical location – centrally located at start with opening of regional offices as capacity of the unit is increased; infrastructure and resources – offices and furniture, transport, budget for travel and accommodation; recruitment of technical personnel; linkages to other ACD teams; hierarchy of reporting for PCA teams; and supply of ASYCUDA data.

In a further meeting, the Director Operations supported the implementation of a PCA working group, which would progress the adoption of international best practices. The first workshop is scheduled for the beginning of June.

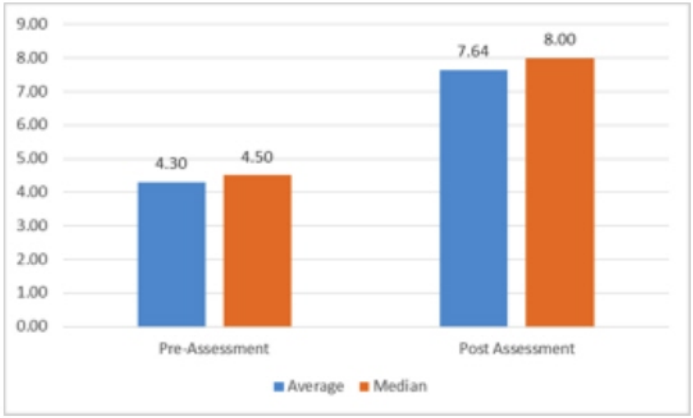
Enhancing ACD performance: ATAR collected revenue, trade, and other relevant data for a financial and economic model to evaluate the performance of the customs administration relative to good practices and allow the comparison of customs offices without regards to the size of the office.

ATAR drafted and is reviewing a report on the finding. ATAR also provided training to ACD's Tariff Department on data entry into the designed model to obtain and interpret the results.

Strengthening TIR and transit regimes: On May 11-12, ATAR delivered a "TIR Train the Trainers for Customs – Using the TIR Carnets" for 24 participants from ACD and ANCA.

The customs officers learned how to complete the TIR carnet, and all participants successfully passed the course. TIR is a customs transit system that simplifies the movement of cargo across at least one international border.





ATAR delivered training to customs officers on how to complete a TIR Carnet (left). All participants passed a test upon completion and improved their knowledge of TIR (right).

Intern program: ATAR continued to support ACD's internship program through meetings and daily workplace support. A second recruitment of ten interns began in May for deployment in July.

Component 3: Looking Forward

- Continue regional work with ACD
- Continue to assist ACD in reviewing regulations and procedures, including warehousing and licensing regulations
- Continue to support ANCA in reviewing training material and developing new material
- Continue implementation of the enforcement plan
- Produce the weekly compliance snapshot template and start providing ACD management with weekly compliance and performance data
- Support ACD to develop mechanisms for assessing their performance and gauge their efficiency
- Identifying opportunities for streamlining import procedures, improving risk management operations, and gaps in training skills
- Discuss with ACD the timeline and activities for the implementation of an IAU and PSU
- Start the development of relevant policies, procedures, and training materials in support of implementing a professional post clearance audit functions
- Continue with PCA working group meetings
- Implement risk management working group meetings
- Re-activation of the ACD national anti-smuggling hotline

ATAR ROLLING CALENDAR

Rolling Calendar of Key Events				
Date	**Event**	**Participants**	**Location**	**Component**
May 1-Oct. 31	Expo Milano	EPAA	Milan, Italy	C2
Aug. 3-5	**SAFTA Ministerial and Expert Meetings**	**SAARC members**	**Kabul, Afghanistan**	**C1**
Aug. 9-10	**SARSO Sectorial Technical Committee for Electrical, Electronics, Telecom and IT Products**	**SAARC members**	**Kabul, Afghanistan**	**C2**
Aug. 24-25	**TIR National Capacity Building Workshop**	**IRU, MOCI, ACCI, transporters**	**Kabul, Afghanistan**	**C2**

* Bold items indicate the possible presence of high-level officials.

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Looking Back: Monthly Report (May 1 – 31, 2014)
Looking Forward: Future Activities Report (June 1 – 15, 2014)

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

1. WTO Accession Process

Fifth Working Party meeting: The World Trade Organization (WTO) Secretariat in Geneva, Switzerland, is waiting for Afghanistan to propose a date for its fifth Working Party meeting. This could be the final Working Party meeting for Afghanistan, which then would achieve accession with the least number of Working Party meetings by any acceding country during the last decade. Afghanistan has not yet informed the WTO of a specific date because the Afghan government is not approving travel of senior-level delegations during the election period.

2. Legislative Reforms for WTO Conformity

WTO-related laws: Throughout May, ATAR continued working with the Afghan government to draft, reform, or prepare for the implementation of laws for WTO accession. Although concessions can be made for Afghanistan, WTO members expect compliance before accession in major legal areas related to trade. The table below provides the status of WTO-related legislative actions as of the end of May. ATAR's active areas of support in May are highlighted in light blue.

Legislation for WTO Accession as of May 2014			
No.	**Legislation**	**Responsible Authority**	**Status**
1.	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD)	MOJ submitted the draft to the Council of Ministers in March.
2.	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. The Minister of Finance will adopt the procedure once the draft customs law is adopted.
3.	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	During the first half of May, ATAR began familiarizing the new head of ACD's tariff department on the procedure. The draft does not need review by MOJ since it is a procedure.

			The Minister of Finance will adopt the procedure once the draft customs law is adopted.
4.	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA)	ATAR received comments and suggested revisions to the draft from the ANSA Management Board. ATAR expects the Management Board will complete its review during the next quarter. To date, the Management Board reviewed and approved 22 of 32 articles.
5.	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation, and Livestock (MAIL)	Throughout May, ATAR explained the importance of inserting two provisions into the draft law for WTO compliance. The provisions were subsequently reinserted, and the MOJ submitted the draft law to the Council of Ministers on May 19.
6.	Law on Animal Health and Veterinary Public Health	MAIL	In May, ATAR continued working group meetings to finalize regulations and procedures related to the law on animal health. The law is finalized and is awaiting approval by the Minister of Agriculture, Irrigation and Livestock for submission to MOJ.
7.	Law on Food Safety	Ministry of Public Health (MOPH)	MOJ scheduled a review of the draft law in its legislative agenda for the first quarter of the Afghan year 1393. In the first half of May, ATAR attended a working group meeting discussing articles in the food law and the need for procedures to implement them. In the second half of May, ATAR attended two additional working group meetings regarding articles in the food law related to protection of privacy of food companies and procedures for the recall of defective food.
8.	Procedure Customs Control of Intellectual Property Rights (IPR) (Intellectual Property Border Enforcement)	ACD	The Minister of Finance formally signed and adopted this procedure on April 12.
9.	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI	MOJ submitted the law to the Council of Ministers in mid-March. MOJ noted in its submission letter that ATAR is available to clarify any issues in the draft. In mid-May, the Council of Ministers began its formal review of the law.
10.	Amendments to the Law on Trade Marks of 1 September 2009	MOCI	MOJ submitted the draft to the Council of Ministers in February. President Karzai approved the law in March. In accordance with Afghan legal procedures, the draft was submitted to MOJ and MOJ, with the approval of the President, submitted the law to Parliament in mid-April. In May, the Lower House of Parliament began its review of the law.
11.	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC)	During the first half of May, ATAR assisted MOJ's Executive Board and MOIC in reviewing the second chapter of the draft law. In the second half of May, ATAR continued in-depth discussions on provisions that remain unresolved. ATAR intends to assist MOJ in finalizing the draft for submission to the Council of Ministers in June.

12.	Law on Geographical Indications	MOCI	During first half of May, ATAR assisted MOJ in conducting two working group meetings on the law. The majority of remaining differences on legal clarifications were resolved. In the second half of May, ATAR scheduled meetings to be held in June to finalize the law and submit to the Council of Ministers.
13.	Law on Industrial Designs	MOCI	The draft is awaiting review at MOJ.
14.	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.
15.	Law on Trade Secrets (undisclosed information)	MOCI	The draft is awaiting review at MOJ.
16.	Law on Topography of Integrated Circuits	MOCI	The draft is awaiting review at MOJ.
17.	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	The relevant MOJ legislative department completed its review, and the draft law is awaiting submission to the MOJ Executive Board.
18.	Law on Plant Variety Protection	MAIL	ATAR followed up with MAIL to ensure the law is formally submitted to MOJ for inclusion in the 1393 legislative agenda. However, MAIL requested a needs assessment concerning the application/administration of this law, once adopted. ATAR researched plant variety laws in a half dozen countries as background for MAIL. In May, ATAR followed up with MAIL to discuss technical reservations concerning the law.
19.	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ	The MOJ formally agreed in April to include the law in the 1393 legislative agenda. In May, ATAR held a meeting with the Executive Board and discussed the importance of passing this MOJ-sponsored Law as soon as possible to meet Tokyo Framework commitments, WTO transparency requirements, and best practices.
20.	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ	The draft is under review at MOJ.
21.	Law on Foreign Trade in Goods	MOCI	The draft is under review at MOJ.
22.	Regulations on Import and Export Licensing	MOCI	The draft is finalized at MOCI. While this measure was intended to be a regulation, MOCI decided to pass it as a procedure, thereby not requiring submission to MOJ.
23.	Procedure on Customs Storage Fees	ACD	The draft is being circulated for final review within ACD.
24.	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	While the MOPH has not yet agreed to all proposed amendments, ATAR made progress toward reaching an agreement on a few issues to meet WTO requirements. In the first half of May, ATAR continued work on a cost analysis regarding MOPH discrimination fees to convince MOPH officials to make the fees consistent with WTO requirements.
25.	Value Added Tax	MOF	The Lower House of Parliament approved the law; the law is now pending approval by the Upper House (House of Elders).

26.	Income Tax Law (concerning unequal treatment of import tax)	MOF	The Afghanistan Revenue Department (ARD) indicated the draft was finalized and submitted to MOJ in January. ATAR followed up in May, and MOJ had not received a copy of the law.
27.	Law on Minerals	Ministry of Mines and Petroleum (MOM)	As of the end of April, the Lower House of the National Assembly is still considering the draft.
28.	Law on Safeguards Measures for Domestic Protection	MOCI	The draft is awaiting review by the relevant MOJ legislative department. In May, ATAR discussed the timeline for review of the law with the Executive Board.

During the reporting period, ATAR assisted MAIL's veterinary department in drafting the veterinary medicinal products act. MAIL requested that ATAR assist in drafting this new law to ensure consistency with the WTO. In support of the draft act, ATAR assisted MAIL in conducting two working group meetings in the first half of May.

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Food safety regulation: Throughout May, ATAR assisted the MOPH in a series of working group meetings regarding regulations related to implementation of the food safety law.

ATAR supported working groups that covered determining equivalences of sanitary measures, protection of privacy procedures, drafting a procedure on recall requirements, and concerns regarding possible overlaps in the draft food law and the animal health and veterinary public health law.

Participants in the meetings included representatives of MOPH, ANSA, the Export Promotion Agency of Afghanistan (EPAA), the National Environmental Protection Agency (NEPA), MAIL, and Kabul University.

Plant protection and quarantine regulation: ATAR worked with MAIL's Plant Protection and Quarantine Department (PPQD) throughout the May to hold three working groups on the plant protection and quarantine regulation.

ATAR assisted PPQD in conducting two working group meetings in the first half of May to review and improve the draft regulation on plant protection and quarantine. ATAR conducted its third working group meeting in the second half of May and finished the review of the regulation with the PPQD.

Regulation on veterinary control of import and export: Throughout May, ATAR met with MAIL's animal health department on the draft regulation on veterinary control of import and export.

ATAR incorporated the department's comments into the regulation, which supports the law on animal health and veterinary public health, and will submit the draft regulation to MAIL. The draft regulation is ready to be shared at roundtable meetings with stakeholders.

Training in support of copyrights law: ATAR conducted two trainings on copyrights for MOCI's copyrights office in May to build the staff's capacity to hold copyright awareness seminars in Kabul and major provinces.

ATAR also helped employees of the copyright office understand new amendments in the copyright law. ATAR aims to deliver a copyright awareness presentation to authors in the first half of June so they are aware of how the law protects their intellectual property rights.

In addition, ATAR provided MOIC with a draft of the copyright board regulation and copyright board procedure that would support implementation of the copyright law.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

Certification workshop and training center proposal: ATAR worked throughout May with ANSA to build its capacity on product certification standards and to plan for establishment of an ANSA center to provide information on standardization and certification.

In early May, ATAR conducted a workshop on certification to explain guidelines for product certification that meets international best practices. In addition, ATAR assisted ANSA in drafting a proposal for the establishment of an ANSA training and information center. The center will build the capacity of ministries, state bodies, and the private sector on standardization and certification.

The proposal covers the center's organizational structure and staffing plan, course listings, a train-the-trainers program, the cost structure of products and services to be provided by the center, and a projection for sustainability over a 5-year period. ATAR also provided on-the-job-training to employees who will staff the ANSA training and information center.



ATAR conducted a workshop for the Afghanistan National Standards Authority to explain international best practices in certification.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

There were no activities performed during this reporting period in connection with MOCI's WTO Unit.

6. Building Analytical Capacity

Training to CSO: In May, ATAR provided training to the Central Statistics Organization (CSO) on the structure of ACD trade statistics. The training supports the memorandum of understanding (MOU) that ACD, EPAA, and CSO signed to promote cooperation on Afghanistan's import and export statistics.

According to the MOU, which was based on a draft MOU prepared with the support of USAID's Trade Accession and Facilitation (TAFA) project, the CSO will get information on import/export statistics from ACD on a monthly basis within two weeks after the end of the each month and process this information in accordance with the CSO reporting structure.

Customs valuation workshop: In early May, ATAR assisted the Kabul Chamber of Commerce and Industries (KCCI) in conducting a workshop on regional problems and solutions regarding customs valuation practices.

KCCI, ACD's valuation department, and about ten traders attended the meeting. The workshop's objective was to educate participants about customs valuation and learn about issues regarding custom valuation in Afghanistan, Pakistan and Central Asian countries. Major problems included corruption,

improper use of the customs valuation database, and a lack of awareness of practices regarding customs valuation.



ATAR assisted the Kabul Chamber of Commerce and Industries in conducting a workshop on regional problems and solutions regarding customs valuation practices.

Tariff schedule for 2014: ATAR began in May to assist ACD's tariff department on an annual revision of Afghanistan's tariff schedule and application of tariff rates for South Asian Free Trade Area (SAFTA) agreement signatories, which include Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.

In the second half of May, ATAR assisted ACD in revising current rates to be applied on imports from SAFTA signatories. Tariff rates applied on imports from SAFTA countries will be reduced for more than 400 tariff lines. ATAR also assisted ACD in preparation of a tariff schedule that will eliminate tariff bands in accordance with its commitments.

The SAFTA agreement provides Afghan producers with greater and more consistent access to SAFTA countries' markets and provided consumers with greater access to affordable, imported products. The South Asian nations are among Afghanistan's most critical trading partners; Pakistan and India alone account for 52 percent of Afghanistan's exports.

7. Building Nationwide WTO Awareness

There were no activities performed during this reporting period in connection with nationwide WTO awareness.

Component 1: Looking Forward

- Provide support, as requested (subsequent to USAID clearance), for Afghanistan's participation in Afghanistan's fifth Working Party meeting.
- Continue support to advance WTO-related draft legislation, regulations, and procedures, particularly regarding customs, geographical indications, copyrights, patents, food safety, veterinary health, standards, fees for the import of medicines, intellectual property border enforcement, customs storage fees, and plant variety.
- Facilitate the scheduling of a meeting with the Acting Minister of Justice to present and eventually sign an MOU between USAID and MOJ.
- Provide training on copyright awareness to Afghan authors.
- Hold discussions with MOIC on establishing a copyright board in support of the copyright law and regulation.
- Provide support to ANSA to review guidelines for a certification unit and operating manual for product certification as well as the draft proposal for establishment of an ANSA training and information center.
- Identify priority areas for supporting the implementation of the MOU between CSO, ACD, and EPAA on reducing data discrepancies.
- Continue assisting ACD with an annual revision of tariff schedule and application of tariff rates for SAFTA countries as result of SAFTA implementation.

COMPONENT 2: Enhanced Access to Regional Markets

1. Afghanistan

Trader problems at Wagah: In early May, ATAR held meetings on problems faced by Afghan fruit traders on both sides of Wagah, the border crossing between Pakistan and India.

Stakeholders pointed to a number of problems, including truckers lacking proper visas to transport goods from country to country, a dearth of parking and shade for trucks, no priority for trucks carrying perishable goods, delays due to a single customs shift, inadequate scanning facilities for 40-foot containers, and delays in transit codes being sent by Pakistan customs from the entry port to Pakistan customs at the exit port in Wagah.

Participants in the meetings included transporters, traders, and staff from USAID's Commercial Horticulture and Agriculture Marketing Program (CHAMP). ATAR is verifying these problems with other traders and transporters and work to address the issues with CHAMP counterparts and other stakeholders.

CBTA protocol submission to Kyrgyz Republic: During the first half of May, MOFA submitted the originally approved protocol of accession to the Cross Border Transport Agreement (CBTA) with an official letter to the Kyrgyz Republic, which is the repository of the agreement. The agreement is in effect in Afghanistan, and the two other countries can begin ratification.

ATAR had worked with the Ministry of Transport and Civil Aviation and MOFA to promote approval of the CBTA between Afghanistan, Tajikistan, and the Kyrgyz Republic. Due in part to ATAR's efforts, the agreement was included on the agenda of the Council of Ministers, which approved the CBTA on April 21.

The CBTA aims to facilitate movement of goods, vehicles, and people along Corridor 5 of the Central Asian Regional Economic Cooperation (CAREC) program, which promotes cooperation and development in Central Asia. The agreement will eliminate a number of barriers, including transshipment for movement of trucks across borders.

Explored challenges to TIR implementation: ATAR held meetings in the latter half of May with transport operators and senior management of the Afghanistan Association of Freight Forwarding Companies (AAFFCO) on efforts to implement the Transports Internationaux Routiers (TIR) Convention.



TIR met with stakeholders to explore implementation of the Transports Internationaux Routiers convention.

The stakeholders cited problems including detiorating security; a drop in business due to the upcoming withdrawal of international security forces; poor infrastructure; high official and unofficial fees; the unloading and loading of goods at border crossings; and implementation problems with the Afghanistan-Pakistan Transit Trade Agreement (APTTA).

The meetings were part of ATAR's efforts to explore challenges to implementation of the TIR Convention and in preparation of activities to spread awareness of the system, which will simplify international road transport and improve trade for landlocked Afghanistan.

2. Kyrgyz Republic

ATAR country representative: ATAR's newly arrived ATAR country representative, Robert Olson, was introduced to USAID's Kyrgyz Republic country office at the start of May.

During May, ATAR met with Kyrgyz customs and business representatives to promote the project and familiarize the newly arrived country representative with issues involved in import and export trade with the Kyrgyz Republic.

Export development course: ATAR conducted a three-day course on export development in late May for producers, suppliers, and trade association representatives in the Kyrgyz Republic.

ATAR provided information about the export process, how to develop an export plan, how to insure payment for goods, how to reach potential customers, and entities which may assist a company that is exporting.

Fifty people participated, including representatives from the Kyrgyz Chamber of Commerce and Industries, GIZ, trade associations, and producers. One Afghan trader in the process of opening an office in Bishkek attended.

Trade seminar: ATAR conducted a seminar in cooperation with the Kyrgyz Chamber of Commerce and Industries in late May regarding import and export opportunities between the Kyrgyz Republic, Pakistan, and Afghanistan. About 27 people, representing trade associations and companies in sectors such as juice, honey, halal products, and leather goods, attended the seminar.

WTO TFA assessment report: In the first half of May, ATAR completed an assessment on the Kyrgyz Republic and the WTO Trade Facilitation Agreement (TFA) and began translating the report to share with the Kyrgyz Ministry of Economy. During the second half of May, ATAR began preparations for a joint event with the WTO Secretariat to formerly present the assessment to the Kyrgyz government on June 16-18.

ATAR's assessment will help the Kyrgyz Republic in preparing its official notification to the WTO on how it will comply with TFA requirements. The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved World Customs Organization Revised Kyoto Convention provisions, improved provisions in existing WTO agreements, and new provisions. This agreement presents a new framework for promoting regional reforms to facilitate trade, reduce corruption, improve transparency, increase private-sector participation, and strengthen transit rights.

Verification of CITS data: ATAR continued working throughout May to verify data in the Comprehensive Integrated Tariff System (CITS) with relevant Kyrgyz agencies. Upon verification of the data, ATAR will assist Kyrgyz customs in loading the system to its website for public access and in developing a sustainable process for maintaining CITS.

CITS will ensure greater transparency and access to information regarding import and export trade and transit regulations. Through CITS, an Afghan trader can have access to information on all regulatory requirements applicable to products imported into or exported from the Kyrgyz Republic.

3. Tajikistan

Business-to-business event in Dushanbe: ATAR prepared for a business-to-business event planned for June 23-24 in Dushanbe between importers and exporters from Afghanistan, Pakistan, the Kyrgyz Republic, Kazakhstan and Tajikistan.

Twenty Afghan, 60 Tajik, 10 Kyrgyz, and 15 Pakistani businessmen and businesswomen will participate in the event that is designed to strengthen relationships and stimulate trade among the countries. In addition to meeting business partners and negotiating deals, participants will visit production facilities in Dushanbe and learn about multi-lateral trade and transit agreements that will help to ease trade among Afghanistan, Pakistan, Tajikistan and the Kyrgyz Republic.

ATAR is partnering with the Tajik Chamber of Commerce and Industries (TCCI), the Kabul Chamber of Commerce and Industries, the Kyrgyzstan Chamber of Commerce, and the Pakistan Afghanistan Joint Chamber of Commerce and Industries to organize event.

Motivating Tajik exporters to the Afghan and Pakistan markets: ATAR held a roundtable in cooperation with TCCI in the second half of May to discuss import and export capacity and opportunities in Afghanistan and Pakistan and to prepare Tajik entrepreneurs for the business-to-business forum in Dushanbe.

Company representatives active in the industry sectors of food processing, textiles, and construction materials participated in the forum, as well as representatives from the transport and banking sectors.



In cooperation with the Tajikistan Chamber of Commerce and Industry, ATAR held a roundtable to discuss import and export in Afghanistan and Pakistan.

Export development seminar: In partnership with the UNDP Aid for Trade project and the Sugd Regional Chamber of Commerce and Industry in Tajikistan, ATAR delivered a three-day seminar in the second half of May to develop the capacity of Tajik exporters.

The seminar covered marketing skills to benefit from regional opportunities and public-private dialogue to address regional trade. There were also sessions on trade policies, adhering to international standards, and marketing in Afghanistan and Pakistan. About 28 exporters participated in the event.



ATAR held a three-day seminar to develop the capacity of exporters in Tajikistan.

Assessment in support of WTO TFA: In late May, ATAR began supporting the government of Tajikistan in understanding and preparing for implementation of the WTO TFA. ATAR conducted interviews with an official from the State Customs Service and private-sector representatives to collect information on the current situation.

Harmonization of official trade documents: ATAR continued to collate official trade documents enacted by the Tajik government agencies for evaluation of conformity with the United Nations Layout Key for Trade Documents and to itemize and confirm all fees related to cross-border commercial trade. ATAR aims to simplify border-crossing formalities and to enable harmonization of documents used at proposed joint border posts with neighboring customs administrations.

4. Turkmenistan

Export development course: ATAR completed preparations for delivering a course on export development in mid-May, but the Turkmen government did not confirm the date as of the end of this reporting period.

5. Uzbekistan

Transport workshop: In cooperation with USAID's Regional Economic Cooperation (REC) project, ATAR planned for a transport workshop in Uzbekistan to discuss bottlenecks facing trade and transit at the border crossing of Termez/Hairatan between Uzbekistan and Afghanistan and recommend solutions. The event has been postponed per request of Uzbek government.

6. Region-Wide

Regional trade matrix: ATAR continued developing a regional matrix covering Afghanistan, the five Central Asian countries (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan), India, and Pakistan. The matrix will highlight export opportunities in one country of potential interest to traders in the other countries.

Component 2: Looking Forward

- Continue work in Tajikistan, the Kyrgyz Republic, and Afghanistan on facilitating an MOU between the chambers of commerce and industries of the three countries and on establishing a joint business council.
- Continue planning for a business-to-business event in Dushanbe involving Afghan, Tajik, Kyrgyz, and Pakistani traders on June 23-24.
- Complete a WTO TFA assessment in Tajikistan.
- Launch support on a post-clearance audit to the State Customs Service in Tajikistan.
- Launch process of addressing the three top issues facing transit and trade in Tajikistan.
- Continue work with the Kyrgyz Republic on installing the electronic data interchange system.
- Finalize translation of the concept paper for an electronic law enforcement system for the Kyrgyz Republic and submit to Kyrgyz customs.
- Finalize translation of the WTO TFA assessment in the Kyrgyz Republic to Russian.
- Presentation of CITS and provide Kyrgyz customs training on updating and maintaining CITS.
- Continue organizing a joint workshop with WTO Secretariat on a review of the TFA assessment for the Kyrgyz Republic on June 16-18.
- Continue working on a study on identifying goods of interest to regional traders in Central Asia, Afghanistan, and South Asia.
- Launch development of regional strategy related to risk assessment covering Afghanistan, Tajikistan, and Kyrgyzstan
- Continue to meet ACCI and conduct a diagnostic to identify implementation challenges of TIR system in Afghanistan.

COMPONENT 3: Improved Customs Administration

Customs 3a: Improved Tax Administration

VAT work plan: ATAR awaited feedback on the value added tax (VAT) portion of the project work plan.

Customs 3b: Improved Customs Reform

ANCA support: ACD requested in early May that ATAR support the Afghanistan National Customs Academy (ANCA) in drafting its business and training plan and assist in improving its training materials.

In the latter of May, ATAR's national training expert, who is embedded at ANCA, began developing the business and training plan. ATAR also completed a review of basic training materials for customs officers and assisted ANCA in drafting its mission, vision, goal, and objective statements.

Customs-related legal documents: Throughout May, ATAR worked closely with ACD's legal department to ensure ACD is taking into consideration all standards related to the Revised Kyoto Convention when drafting legal documents.

ATAR supported ACD's legal department on a variety of documents including import procedures; guidelines for exemption from customs duties; temporary importation procedures; procedures for transit of goods that are exempt from customs duties; a document checklist for exemption of customs duties; and guidelines about exemption form processing.

Regional ACD work: ATAR has local project staff located in Mazar-i-Sharif, Herat, and Jalalabad working closely with ACD regional staff on risk management, streamlined customs procedures, time release studies, training needs analyses, and monthly management reports.

Regional Customs Activities in May 2014					
Site	Risk Management	Streamlined Customs Procedures	Time release study (TRS)	Training needs analysis (TNA)	Monthly Management Report (MMR)
Mazar-i Sharif	ACD's director of enforcement visited Mazar and acknowledged the need to move away from the current tariff-based approach to risk management. ACD implemented ASYCUDA World in the region in the latter half of May, and the United Nations Office of Project	ATAR drafted a letter for ACD's director general to get his approval on the removal of redundant steps in the clearance process in the region. Currently, Hairatan has seven extra	ATAR compiled data for the TRS with the assistance of Hairatan ICD staff. The data indicates the Hairatan ICD processes the declarations and releases goods in one day unless there is a technical problem with	With ATAR support, 50 ACD officers completed the TNA forms. ATAR will analyze the data in coordination with ANCA and ACD to identify training needs in the region.	At ATAR's encouragement, Hairatan ICD prepared a MMR for the month of Sawr (April 21 to May 21). ATAR is continuing to work with the Hairatan BCP to encourage completion of its MMR. The MMR serves a monthly

Regional Customs Activities in May 2014					
Site	Risk Management	Streamlined Customs Procedures	Time release study (TRS)	Training needs analysis (TNA)	Monthly Management Report (MMR)
	Services (UNOPS) provided training that included risk management.	steps.	ASYCUDA or issues with importers' paperwork.		activity report to ACD headquarters.
Herat	ATAR accompanied ACD's director of enforcement to Herat in the latter half of May. The review found risk management was not implemented in accordance with international best practices. For example, risk management was based on tariff codes; the director of enforcement and Herat director agreed on the need to move away from a tariff-based approach. In addition, most goods went through the red lane. The enforcement director requested that ATAR deliver risk management training.	ATAR will raise opposition to proper implementation with the ACD director general.	ATAR, with the assistance of customs brokers, is continued to work on completion of the TRS.	ACD Herat has fully endorsed the TNA, and the forms are being completed.	Herat ACD staff have not completed MMRs. ATAR will discuss this with the ACD director general.

Regional Customs Activities in May 2014					
Site	Risk Management	Streamlined Customs Procedures	Time release study (TRS)	Training needs analysis (TNA)	Monthly Management Report (MMR)
Jalal-abad	ATAR discussed the re-routing of consignments to the red lane from the yellow lane with ACD's regional entry processing unit manager. ATAR encouraged ACD to base the rerouting on risk and to complete the proper forms to adjust the risk profiles.	ATAR identified redundant steps not in compliance with streamlined procedures. The regional director does not agree on removal of the steps. ATAR will request support from ACD's director general to remove the steps. ATAR also determined cash payments to Da Afghanistan Bank often delay clearance by a day. Traders and brokers said they support E-Pay to accelerate the clearance process.	ATAR collected data on the number of vehicles arriving at the Jalalabad ICD. ATAR determined the vast majority of vehicles are processed the same day. In addition, ATAR collected completed time release forms from 18 brokers and submitted the forms to Kabul for inclusion in a study of the regions.	With ATAR support, 118 staff at Jalalabad ICD and Torkham BCP completed TNA forms. ATAR will analyze the data in coordination with ANCA and ACD to identify training needs in the region.	With ATAR support, ACD officials have prepared MMRs for Torkham BCP and Jalalabad ICD.

Component 3: Looking Forward

- Await formal approval and/or feedback on the VAT work plan that directly supports ACD.
- Continue support to ACD in reviewing requirements for accession to the Revised Kyoto Convention.
- Continue regional work with ACD to identify existing risk profiles and resulting selectivity rates in areas where risk management has been rolled out.
- Discuss regional difficulties with the director general.
- Review training materials at ANCA and identify areas for improvement.
- Continue work on drafting a business and training plan for ANCA to take into account the Border Management Task Force's (BMTF) departure.
- Prepare an action plan for reinstating the national blueprint of streamlined customs procedures in the regions.

ATAR ROLLING CALENDAR

ATAR Future Activities					
Date	**Event**	**Participants**	**Location**	**Comp-onent**	**Comments**
To be Determined (TBD)	**Working Party Meeting**	**Afghan delegates and TAFA advisor Farhat Farhat**	**Geneva, Switzerland**	**C1**	**Date to be confirmed.**
June 10-13	**Border Management & Technologies Summit 2014**	**Afghan Minister of Refugees and Repatriation; Iraqi, Georgia, Tajik, Kosovar government officials**	**Istanbul, Turkey**	**N/A**	**Organized by Intelligence-SEC**
June 16-18	**WTO TFA Assessment**	**WTO Secretariat, Kyrgyz government officials**	**Bishkek, Kyrgyztan**	**C2**	**Organized with support of ATAR**
June 23-24	Business-to-business event	Importers and exporters from Afghanistan, Pakistan, the Kyrgyz Republic, and Tajikistan	Dushanbe, Tajikistan	C2	Business-to-business event
July 22-23	**Eighth meeting for SAFTA Ministerial Council**	**SAFTA officials**	**Thimphu, Bhutan**	**C2**	
July 24	**Ninth meeting of SAFTA Committee of Experts**	**SAFTA officials**	**Thimphu, Bhutan**	**C2**	

August 4-7	U.S. Patent and Trademark Office/Global Intellectual Property Academy training	15 Afghan officials, two ATAR lawyers	Virginia	C1	ATAR's participation is pending USAID approval.

* Bolded items indicate the possible presence of media or high-level officials.

ATAR INDICATOR TABLE

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (Central Statistics Organization (CSO) report)	$5.17 billion in the first nine months of 1392 (ACD report)	Track-ing only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit) **Note:** Total volume of trade in the first nine months of1392 was $5.17 billion which included import ($4.85 billion) and export ($318 million)
2	Value of gross domestic product (GDP)	Outcome/ Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$21 billion in 1391 (CSO report)	Will be reported by end of 1392	Track-ing only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. **Note**: Based on a CSO report, the total value of Afghanistan GDP in 1391 was Afs 1,085,766 million = $21 billion.
3	Ratio of foreign trade in GDP	Outcome/ Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank report)	Will be reported next quarter	Track-ing only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan. Note: This indicator will be reported once the Afghanistan GDP for 1392 is reported by GIROA.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported next quarter	Track-ing only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.
5	Value of exports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	$318 million in first nine months of 1392 (ACD report)	Track-ing only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** Based on data from ACD, the total value of export in the first nine months of 1392 was $318 million. **Disaggregation by Country:** Pakistan = $102 million India – $58 million UAE = $46 million Iran = $23 million Turkey = $20 million USA = $13 million China = $11 million Iraq = $10 million Turkmenistan = $9 million Tajikistan – $6 million Others = $19 million **Disaggregation by Province:** Kandahar = $82 million Herat = $69 million Jalalabad = $63 million Kabul = $40 million And Khoi = $28 million Kabul Airport = $22 million Mazar = $9 million Others = $6.6 million

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
6	Value of imports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	$4.85 billion in first nine months of 1392 (ACD report)	Track-ing only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on data from ACD, total value of Afghanistan import in the first nine months of 1392 was $4.85 billion. **Disaggregation by Country:** Pakistan = $1,036 million Iran = $741 million China = $659 million Turkmenistan = $501 million Uzbekistan = $255 million Japan = $226 million Kazakhstan = $198 million Malysia = $183 million Russia = $181 million UAE = $121 million India = $107 million Others = $645 million **Disaggregation by Province:** Jalalabad = $1,285 million Herat = $1,273 million Mazar = $661 million Nimruz = $614 million And Koi = $434 million Kandahar = $299 million Kabul = $132 million Others = $153 million
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Busines s Annual Report	Annual	184 (Doing Business Annual Report 2014)	184	Track-ing only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
8	Ease of doing business in Af-ghanistan (World Bank Doing Business report)	Outcome/ Impact USAID requested indicator	By sector	World Bank Doing Busines s Annual Report	Annual	164 (Doing Business Annual Report 2014)	164	Track-ing only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
9	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/ Impact USAID requested indicator	None	GIRO A	Annual	27%	Will be reported next quarter	20%	10%	It is crucial to have reliable trade related data for policy and planning. ATAR will support ACD and CSO to harmonize trade related data between the two organizations. **Note:** Based on trade statistics data from ACD and CSO for the year 1391, the overall discrepancy was 27% (import 19% and export 35%). The project will report the discrepancy of 1392 once data received from CSO for this year.
PIR 1.1: WTO accession process finalized										
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quart-erly	0	9	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quart-erly	0	1	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR in Afghanistan.
12	Number of draft legislative items (including regulations, procedures, and amend-ments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quart-erly	0	1	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level (including by working group) with ATAR support. This mainly refers to the first draft finalized at the Ministerial level.
PIR 1.2: WTO implementation process developed and executed										
13	Number of public events held to discuss trade and business policy matters with stakehold ers, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Month-ly	0	30 (Particip -ants: 272 male and 40 female)	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, round table discussions and other trade gathering.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
14	Number of consultat-ive processes with private sector as a result of U.S. govern-ment assist-ance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quart-erly	0	3 (Particip ants: male 35 and female 28)	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator.
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operation-al Indicator Output	Gender of participants	Project records	Month-ly	0	3 (Particip ants: male 35 and female 28)	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses
16	Number of awareness documents prepared to educate about WTO and regional integration	Operation-al Indicator / Output USAID requested indicator	Province	Project records	Quart-erly	0	2	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/ Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
18	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Percept-ion survey	Annual	To be deter-mined (TBD) from perceptio n survey	To be deter-mined (TBD) from percepti on survey	10% in-crease	40% in-crease	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted in Year 1 of the project to collect baseline information and annually thereafter targeting the same group
PIR 2: Regional and global integration enhanced										
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records and MOCI	Quart-erly	0	2	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, MOUs, and protocols launched or signed with ATAR support.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants /gender	Project Record and EPPA	Month-ly	0	24 firms 79 participa nts (include-ing 38 female)	80 firms 160 partici-pants	400 firms 800 partici-pants	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.
21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/ Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi : Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Track-ing only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	1	6	24	This indicator will capture the number of interactions and dialogues between the businesses and government organizations in the region on policy reform issues.
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays
24	Cost to travel 500 km per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CAR-EC	Annual	$1,580 Corridor 5, $719 Corridor 6 (2012)	The project will report this indicator once the CPMM report for 2013 published by ADB	Track-ing only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included. **Note:** Based on the CAREC Program Development Effectiveness Review Report 2012, the cost to travel 500 km per 20 ton is: Corridor 5 = $1,580 Corridor 6 = $719
25	Percentage share of trade with regional partners	Outcome/ Impact USAID requested indicator	Country	Nat-ional statist-ics	Annual	Will be collected during next quarter	Will be reported next quarter	Track-ing only	Tracking only	This indicator will capture the share of Afghanistan trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
26	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	$157 (2012)	The project will report this indicator once the CPMM report for 2013 publishe d by ADB	Track-ing only	Tracking only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the average cost of crossing border is $157
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
27	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	$694 million in 1391	$875 million in 1392	Track-ing only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** Based on an MOF performance report, the customs revenue in 1392 is Afs 49.4 billion = $875 million
28	Number of permanent professional positions allocated for women within ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quart-erly	77	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
29	Number of female interns completing a six-month internship in ACD	Outcome/ Impact USAID requested indicator	Gender, age, education level	ACD	Quart-erly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										
30	Average Customs processing time (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported in next quarter	TBD based on numb-er of steps rem-oved	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.
31	Number of documents/ procedures required to import and export	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Busine ss report. ACD has not yet confir med numbe rs	Annual	10, import 10, export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2014)	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
32	Time to export and import	Outcome/ Impact USAID requested Indicator	Import, export	World Bank's Doing Bus-iness report.	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	85 days, import, 81 days, export (World Bank Doing Business report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.
33	Number of customs systems in line with internationa l best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline.
34	Number of risk managemen t procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management.
Cross-Component Indicators										
35	Number of USG-supported training events held that related to improving the trade and investment environmen t, number of participants, and person days of training	Oper-ational indicator Output Required by Prime Contract	Gender, Topic	Project records	Monthl y	0	24 trainings 381 particip-ants (302 male and 79 female) 289 persons days of training	30 train-ings/ 300 partici pants	120 trainings / 1,200 participa nts	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training.

No.	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achieve-ments in project first year (Nov. 2013 to May 2014)	Year 1 Target	Life-of-Project Target	Notes
36	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	2,025 (Male 1,635, female 390)	1,500	6,000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40. This target for this indicator is set based on indicator No. 46 (number of trainings) assuming that each ATAR-led training is on average 5 hours.

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Afghanistan Trade and Revenue (ATAR) Project

Monthly Report (Nov. 1–30, 2014)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support customs activities. ATAR also has a presence in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan and activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

Nov. 1-30 Highlights

- The Afghan government, with ATAR support, progressed on trade-related legal reforms necessary for WTO accession with reviews of the draft amendments to the trademark law, draft amendments to the copyrights law, draft geographical indications law, draft patent law, and draft law on foreign trade in goods.
- ATAR conducted a three-day Transports Internationaux Routiers (TIR) course at the Afghanistan National Customs Academy for 15 officers from the Afghanistan Customs Department (ACD) to educate them on proper operationalization of the TIR Convention.
- ATAR supported the Ministry of Commerce and Industries in holding a National TIR Seminar in Kabul to educate Afghan public and private stakeholders on the TIR Convention.
- Following discussions with ATAR, the Kyrgyz Ministry of Economy held a roundtable in Bishkek with importers, exporters, bankers, and government agencies to establish public-private dialogue. The main topic was possible changes that will result from Kyrgyzstan's entrance into the Customs Union.
- ATAR delivered a five-day risk training on risk management for ACD officers. Risk management enables customs to clear goods efficiently by scrutinizing high-risk goods more closely than low-risk ones.

Key Upcoming Events

- ATAR will support a Modern Transport and Logistics Workshop in Bishkek on Dec. 18-20 for stakeholders from Afghanistan, India, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.
- Afghan and Pakistani officials will hold an Afghanistan Pakistan Transit Trade Authority meeting (APTTCA) on Dec. 29-30 in Islamabad. APTTCA administers and oversees implementation of the Afghanistan-Pakistan Transit Trade Agreement (APTTA). ATAR is supporting the Afghan government in the discussions.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes the liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building capacity and providing technical assistance in implementing institutions to conduct negotiations, draft legislation, and institute reforms to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: The Afghan government had completed preparations for holding its fifth Working Party meeting in October 2013 and further augmented materials for the meeting in February 2014 with ATAR support. The fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the Afghan government.

2. Legislative Reforms for WTO Conformity

WTO-related laws: During November, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table provides the status of WTO-related legislative items as of the end of November. ATAR's active areas of support for the month are in light blue.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws and Regulations Included in MOJ 1393[3] Agenda[4]
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Council of Ministers in March 2014. The review will not start until the new government is in place.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding	ACD Wali Faqirzaad	In the second half of 2014, ATAR worked with ACD to finalize the	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] The solar year 1393 covers the Gregorian year March 21, 2014, through March 20, 2015.
[4] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

	Decisions (covering advance origin rulings)	Brian O'Shea	draft; the draft has been submitted to the Director General for approval. ATAR is regularly following up with the Director General to promote signing. The Minister of Finance will adopt the procedure after the draft customs law is adopted.		
4	Law on Standards and Technical Regulations	ANSA Sayed Hashimi Farhat Farhat	ANSA completed its review and shared a Dari version of the law with track changes with ATAR. ATAR is reviewing the revised draft for WTO conformity.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	The Council of Ministers approved the draft in September 2014. The Council of Ministers submitted the draft to MOJ for translation into Pashto; the translation is complete. MOJ is comparing the Dari version with Pashto. MOJ will submit the draft to Parliament in December.	Council of Ministers	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	ATAR assisted MAIL in finalizing the draft. MAIL submitted the draft to MOJ on Sept. 30. MOJ established a working group to review the draft; ATAR participated in four meetings of the working group; the last was held on Nov. 8, 2014.	Sponsoring Ministry	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	MOPH submitted the draft law to MOJ on Oct. 29.On Nov. 8, ATAR conducted a seminar on food safety issues to educate MOJ and MOPH staff on the law. MOJ included the law on its agenda, and ATAR will assist MOJ in its review.	Ministry of Justice	Yes
8	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	On Nov. 9, the Legislative Committee of the Council of Ministers examined the draft and proposed a patent board. On Nov. 22, the MOJ Acting Minister presided over a roundtable that focused on the proposal of the establishment of a patent board. On Nov. 30, Second Vice President Sarwar Danish held a session in the Legislative Committee of the Council of Ministers with acting ministers and deputy ministers. The event dealt with remaining issues on the establishment of a board. ATAR is assisting the MOJ to draft a provision for establishing a board while respecting the due process and other measures designed to respect patent holders.	Council of Ministers	Yes

10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	On Nov. 16, the law was added to the agenda of the Upper House. Subsequently, on Nov. 18, the first meeting was held on the revision of the law by the Commission on Legislative Affairs of the Upper House of the National Assembly.	Parliament	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Council of Ministers sent the draft law to MOJ with minor changes. ATAR is ensuring the changes do not violate WTO requirements. On Nov. 30, ATAR was invited to the Legislative Committee of the Council of Ministers. This was chaired by Second Vice President Sarwar Danish, ministry officials, and President Ghani's legal advisor. ATAR assisted in replying to questions of the committee. The Legislative Committee approved the draft, instructing MOJ to check certain terms.	Council of Ministers	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	In an important development, the law was submitted by the Acting Minister of Justice to Parliament on Oct. 8. On Oct. 18, the Acting Minister of Justice presented the law to the Lower House. On Oct. 28, the National Economic Commission of the Parliament (Lower House) conducted a roundtable on the law. On Nov. 3, the commission conducted two working group meetings on the draft. On Nov. 18, the draft was circulated and shared with all other 18 commissions. The Commission on Privilege and Immunity approved the draft (with minor amendments), and the draft remains under review by other commissions.	Parliament	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	ATAR assisted MOJ in conducting a working group meeting to review the law in October. ATAR started to review MOJ suggestions to ensure WTO conformity.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI Wali Faqirzaad Polly Maier	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	ATAR assisted MOJ in understanding the draft. Three articles of the draft remain under review and are expected to be finalized in December.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi Polly Maier	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments (unrelated to WTO). MOJ is working on the revised draft.	Ministry of Justice	Yes

18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR worked with MOCI to encourage MOJ to include the draft on this year's agenda. ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. On Nov. 2, ATAR conducted a plant variety protection workshop at MAIL to improve understanding of the law and discuss the impact assessment.	Sponsoring Ministry	No
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad Drew Sundberg	ATAR assisted MOJ in conducting two working group meetings in October. Fifteen articles were reviewed. MOJ's Publication Department proposed the addition of six new articles. ATAR will review the proposed additions.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar Drew Sundberg	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi Drew Sundberg	During the period, ATAR assisted MOJ in working group meetings to review the draft. In a major development, the MOJ Legislative Department completed its review of the draft. The draft will be submitted to the MOJ Executive Board.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi Drew Sundberg	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review. ATAR assisted ACD in conducting a working group meeting on Aug. 6 to review the procedure.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Siyar Sahar Farhat Farhat	The Afghanistan Revenue Department (ARD) said the draft was finalized and submitted to MOJ. MOJ confirmed, however, that it did not receive the draft.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi Drew Sundberg	The draft is awaiting review by the relevant MOJ legislative department. MOCI and ATAR are encouraging MOJ to include the law on this year's agenda.	Ministry of Justice	No
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	In a significant development, on Nov. 22, the Upper House approved the draft and submitted it to the President for endorsement.	Parliament	Yes

28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on Aug. 11.	President	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Food safety law: On Nov. 16-23, ATAR worked with MOPH to review a procedure on the release of public information with the food safety working group. This procedure supports the food safety law by introducing transparency and information requirements. Representatives of MOPH, MOCI, the Export Promotion Agency of Afghanistan (EPAA), Kabul University, and the private sector participated.

Trademarks law: In November, ATAR developed training materials for MOCI's Afghanistan Commercial Business Registry for Intellectual Property (ACBR-IP) office to prepare for implementation of the trademarks law. The training will cover day-to-day activities, such as examination, classification, and registration of trademarks.

Copyrights law: With ATAR's assistance, MOIC drafted and submitted a letter to the Ministry of Foreign Affairs (MOFA) on Nov. 2 for further submission to the World Intellectual Property Organization (WIPO) to join the Berne Convention for the Protection of Literary and Artistic Works.



ATAR conducted training courses and working groups meetings in support of the animal and veterinary public health law.

In the latter half of November, MOFA sent the letter to the Council of Ministers and outlined the next steps for membership. Although Afghanistan is a member of the World Intellectual Property Organization (WIPO), it has not yet joined this key WIPO convention.

Animal and veterinary public health law: ATAR worked with MAIL's Animal Health Department to educate staff on the veterinary control of import and export regulation and its related procedures that will support implementation of the animal health law.

In the first half of November, ATAR conducted a four-day training course on qualitative risk analysis for 17 MAIL employees. Qualitative risk analysis involves evaluating the probability of certain animal health hazards occurring and the severity of the consequences.

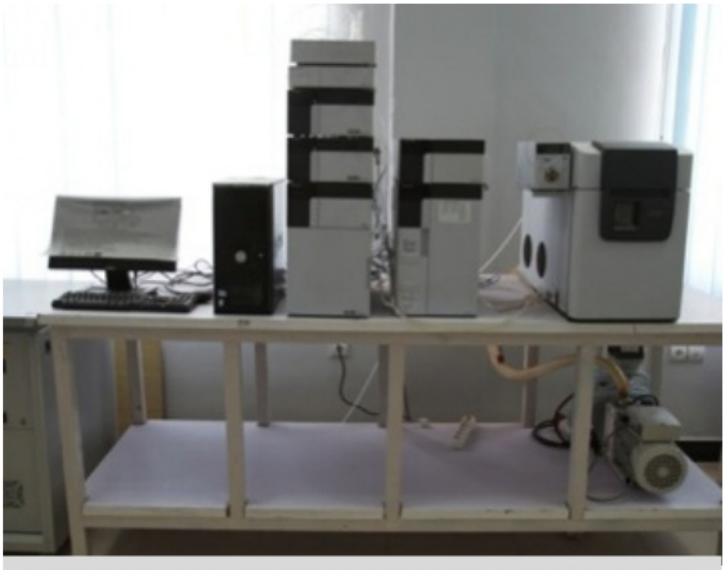
In the latter half of November, ATAR conducted working groups on four procedures of the veterinary control of import and export regulation. Participants included representatives of MAIL and MOCI.

Animal protection and quarantine law: ATAR continued assisting MAIL's Plant Protection and Quarantine Department (PPQD) in incorporating feedback from working group meetings regarding draft procedures for implementing the law on plant protection and quarantine. The PPQD, with ATAR's assistance, developed a list of model phytosanitary procedures intended to be used in support of the plant protection and quarantine law.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

ANSA training: ATAR supported ANSA in providing training on International Standards Organization (ISO) 9001 to outline requirements for quality management systems.

On Nov. 1, ATAR assisted ANSA in preparing and conducting training on quality infrastructure and standards development under ISO 9001 to 20 students of the Commerce Vocational Institute as well as other ANSA staff members. On Nov. 08, ATAR and ANSA provided an overview of quality management system procedures under ISO 9001 to 20 Commerce Vocational Institute students and ANSA staff.



ATAR began an in-depth assessment of the ANSA food safety lab, which has an array of advanced equipment, to make the lab fully operational.

ANSA food lab: ATAR launched a major assessment of ANSA food laboratory to make an inventory of what is needed to make the food lab fully operational.

As part of this task, ATAR drafted a "gap analysis" of the ANSA food laboratory to address four focus areas: infrastructure, equipment, procedures, and protocols as well as personnel qualifications and training needs. The report identified deficiencies and recommended solutions.

The ANSA food testing lab will allow the issuance of quality certificates for Afghan food and agricultural products bound for export. In addition, the lab is important for domestic food safety and quality assessment. ANSA intends to accredit the lab with Turkey´s accreditation body, TURKAK. The certificate that this laboratory issues will be accepted abroad without the need for re-certification and retesting.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

Post-accession WTO Unit: ATAR began preparing a draft white paper outlining the terms of reference for MOCI's WTO Unit to handle post-accession matters. The paper will include proposed functions of the WTO Unit, job descriptions and qualification requirements, and a staff retention and technical sustainability plan. ATAR will meet with relevant MOCI officials to discuss the initial proposal.

6. Building Analytical Capacity

TPAU: In November, ATAR continued supporting MOCI's Trade Policy Analysis Unit (TPAU) in identifying key raw materials needed for Afghan agricultural and industrial producers, as well as in developing a database of suppliers by country and by supplying company. TPAU now has an initial database of 200 Afghan companies and 20 strategic goods.

In addition, ATAR assisted the TPAU in developing a database of strategic products for food security. The database includes Afghanistan's most important products, with calculations on annual consumption and statistics regarding production, imports, and exports. In support of the development of the food security database, ATAR organized two roundtables at MAIL in the first half of November for TPAU and the MAIL's Statistics and Information Unit to identify about 20 strategic goods.

In addition, ATAR continued building the capacity of the TPAU through on-the-job training on trade policy analysis, including assistance in preparing MOCI's semi-annual review. On Nov. 24, ATAR organized a working group for 25 participants from EPAA, MAIL, MOCI and the Afghanistan Chamber of Commerce and Industries (ACCI) to identify sensitive products to be sent to the South Asian Association for Regional Cooperation (SAARC) Secretariat.

On Nov. 25, ATAR demonstrated to MAIL's Statistics and Market Management Information Directorate the economic model for estimation of the impact of trade and tariff policy on agricultural goods.

Resolving trade data discrepancies: During November, ATAR collected trade statistics from the Central Statistics Organization (CSO) and ACD and assisted CSO with on-the-job training in processing the data.

Discrepancies in trade data from ACD and CSO on imports are due to exchange rate differences. ACD was guided by ATAR to apply adjustments such as introduction of an additional column with U.S. dollar values to meet CSO requirements. Discrepancies in data from ACD and EPAA on exports are up to 25 percent. As a result, CSO, with ATAR's support, will propose a methodology to reduce the discrepancy by the end of the year Afghan 1393 (March 20, 2015).

These efforts are part of ATAR's supporting the implementation of a memorandum of understanding (MOU) between CSO, ACD, and EPAA on reducing trade data discrepancies.

7. Building Nationwide WTO Awareness

WTO awareness seminars: ATAR is awaiting feedback from MOCI on a plan for WTO seminars to educate stakeholders on the WTO and its benefits for Afghanistan.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting.
- Continue support to advance WTO-related draft laws to meet WTO requirements.

- Continue supporting development of regulations, and procedures related to sanitary and phytosanitary laws at MAIL and MOPH.
- Continue to work with MAIL's PPQD to advance development of implementing regulations and procedures for the law on plant protection.
- Continue work with MAIL's Animal Health Department to advance development of implementing regulations and procedures for the law on animal health.
- Launch support to ACBR to build capacity on implementing the trademarks and geographical indications law.
- Launch support for applying to intellectual property conventions: Paris Convention for the Protection of Industrial Property; Madrid Protocol relating to the Madrid Agreement Concerning the International Registration of Marks; and Singapore Treaty on the Law on Trademarks.
- Complete development of procedures and training materials for intellectual property border enforcement by ACD.
- Continue work on terms of reference for MOCI's WTO unit in post-accession environment.
- Conduct three seminars at MAIL for developing economic models to estimate impact of trade policy on the import and export of agricultural goods (Dec. 3, 7, 10).
- Assist in preparation of a sensitive list with MOCI.
- Hold Dec. 8 seminar to support implementation of an MOU between CSO, ACD, and EPAA.
- Share gap analysis of ANSA food testing laboratory with ANSA for feedback.
- Develop an action plan for ANSA food testing laboratory based on gap analysis.
- Facilitate and organize a study tour of ISO 9001-certified company in Kabul.
- Continue building the capacity of the TPAU through on-the-job training to identify and analyze raw materials needed for Afghan producers and identify sources of supply for importing them.
- Continue supporting implementation of the MOU between ACD and the CSO to further reduce discrepancies in trade statistics and start guiding in adjustments to ASYCUDA World for transfer of data from ACD to CSO.
- Start building economic analysis capacity of MAIL's Statistics and Market Management. Information Directorate using historical/statistical data and developing economic models.
- Start capacity building assessment needs of the TPAU pending approval of the terms of reference of the short-term consultant.

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

1. Afghanistan

APTTCA meeting: ATAR continued following up with MOCI and ACD on preparation for the Afghanistan-Pakistan Transit Trade Coordinating Authority (APTTCA) meeting by identifying agenda

priorities and preparing participants to discuss key issues. The meeting is expected to occur on Dec. 29-30 in Islamabad. APTTCA administers and oversees implementation of the Afghanistan-Pakistan Transit Trade Agreement (APTTA).

APTTTA: In the latter half of November, ATAR began an assessment of benefits of the proposed Afghanistan, Pakistan, Tajikistan, India Trade and Transit Agreement (APTITTA). ATAR designed the quantitative and qualitative methodology for the assessment and prepared a survey to be distributed among stakeholders.

ATAR met with counterparts, including MOCI, EPAA, an Indian Embassy official, USAID's Commercial Horticulture and Agricultural Marketing Program (CHAMP), ACCI, and a prominent transporter. ATAR is planning three focus groups with exporters, service providers, and freight forwarders over the next two weeks as well as meetings with officials of public, private, and donor organizations.

New regional initiatives: Per request of MOCI, ATAR assisted in fine-tuning the draft agreement on trade and transit with Uzbekistan in November. ATAR also assisted MOCI in extending the transit and transport agreement, now called the Lapis Lazuli Agreement, with Azerbaijan, Georgia, and Turkmenistan to include Turkey. This was following the first technical working group meeting of the Lapis Lazuli Corridor between Afghanistan, Turkmenistan, Azerbaijan, Georgia, and Turkey, held at the Ministry of Foreign Affairs of Turkmenistan on Nov. 15.

Conference preparation: ATAR assisted Afghanistan in preparing for the 13th Asian Development Bank CAREC Ministerial Conference on Nov. 6 in Bishkek by updating a policy action matrix under the Trade Policy Strategic Action Plan for 2013-2017.

At the request of MOCI, ATAR supported Afghanistan in preparation for the 18th South Asian Association for Regional Cooperation (SAARC) Summit in Kathmandu on Nov. 26-27 by reviewing the Kathmandu Declaration that will be issued at the summit. The Nepalese government sent a draft of the Kathmandu Declaration to the SAARC member states. The proposed draft of the declaration emphasizes the need of curtailing cross-border crime, terrorism, and religious extremism.

At the request of MOCI, ATAR assisted in the preparation for the United States-Central Asian Republics (CAR) Trade and Facilitation Framework Agreement (TIFA) Working Group on sanitary and phytosanitary measures and technical barriers to trade on Nov. 18-20 in Turkey by providing input and reviewing Afghanistan's presentation.

Afghan trade and investment in South Asia: ATAR held meetings with the Federation of Indian Chamber of Commerce and Industries (FICCI) and Indian Embassy in Kabul to promote bilateral trade between India and Afghanistan. ATAR identified the following events to promote trade and investment between the two countries: India Stonemart, Jan. 29-Feb. 1, 2014, Jaipur, India; Doing Business in Afghanistan, February 2014, New Delhi, India; and Doing Business in Afghanistan, May 2014, Kabul, Afghanistan.

World Food Exhibition: An Afghan delegation of five dried fruit traders attended the World Food Exhibition, on Nov 5-7 in Almaty, Kazakhstan. Although they could not afford a booth, they used the event to gather information and to network. They visited booths and had business-to-business meetings with traders from Poland, Italy, and other countries. EPAA, in partnership with ATAR, prepared the Afghan participants for the event. The World Food Exhibition focuses on the food and drink industry and welcomed thousands of visitors from Central and South Asia.



Afghan traders participated in the World Food Exhibition and held business-to-business meetings with potential buyers.

EPAA support: In November, ATAR assisted in drafting content and a design for a website for EPAA to help the organization promote its services and provide information to traders. In addition, EPAA and ATAR finalized a cost-competitive analysis on pomegranates in the first half of November and finalized cost-competitive analysis on grapes and apples in the second half of November.

Export seminar: On Nov. 18-19, ATAR supported EPAA in holding a seminar on "Reaching New Markets and Lowering Costs through Trade" to understand trade barriers faced by Afghan exporters, share information on trade logistics in Central Asia, and discuss suggestions to enable Afghan exporters to reach new markets and lower cost.

Twenty-five exporters of agricultural produce, such as fresh and dried fruit, attended the first day, while 32 exporters of non-food items, such as carpets and marbles, attended the second day. Since the supply chain of each group is distinct, this allowed the discussion to be focused based on product characteristics. EPAA invited major exporters from each group to attend. Topics included an overview of the Central Asia region, demand analysis, key transport corridors, key border crossing points, transport costs and transport associations.



Najila Habibyar, chief executive officer of EPAA, addressed participants at an export seminar organized with ATAR.

TIR train-the-trainers for customs: ATAR conducted a three-day Transports Internationaux Routiers (TIR) course for 15 officers from ACD on Nov. 9-11 at the Afghanistan National Customs Academy (ANCA). The course covered vehicle standards, use of TIR Carnets and SafeTIR, which allows for the verification of the status and validity of each TIR Carnet at any moment in real time.



ATAR provided a three-day training on TIR to 15 officers from ACD.

TIR is a customs transit system that simplifies the movement of cargo across at international borders. The guidelines for implementing TIR are described in the TIR Convention. In September 2013, TIR was reactivated in Afghanistan after three decades of suspension. ATAR is working with the Afghan government to raise awareness of the implementation and benefits of this convention, which is

operational in 58 countries in the world.

National TIR Seminar: ATAR supported MOCI in holding a seminar for 80 exporters, logistics representatives, and government officials to discuss Transports Internationaux Routiers (TIR) Convention on Nov. 29 in Kabul.

Deputy Minister of Commerce and Industries Mozammil Shinwari and Deputy Minister of Transport and Civil Aviation Jarullah Mansoori opened the TIR seminar. A five-person panel took questions from the floor and addressed the concerns of the private sector.

The event aimed to promote greater awareness of the TIR system in Afghanistan, particularly to transport operator and exporters. The event also served as a platform for public-private dialogue.



ATAR supported MOCI in conducting a seminar to raise awareness of TIR among private-sector representatives and government officials.

2. Kyrgyz Republic

Customs training: ATAR conducted training on intellectual property rights for 18 Afghan customs students on Nov. 5-11 at the Kyrgyz Customs Academy in partnership with the Organization for Security and Co-operation in Europe (OSCE). The training covered all aspects of worldwide efforts to enforce intellectual property rights enforcement, with a focus on Afghan-specific laws.

The participants included one female customs officer and two instructors from the Afghanistan National Customs Academy (ANCA). From Nov. 12-13, the participants were taught to more effectively present the material when they return to their posts. The instructors are expected to institutionalize the training at ANCA, while the other students will provide training to customs officers already on the job at their customs locations, thus saving time and money rather than traveling to ANC

CBTA: Throughout November, ATAR continued trying to assess the potential for ratification of the protocol bringing Afghanistan into Cross-Border Transport Agreement-Corridor 5 (CBTA-5). ATAR obtained a copy of a letter from the Ministry of Transport to the Ministry of Foreign Affairs stating, possibly incorrectly, that it could not be done because Karamyk was not an international border crossing point.

The letter went on to state that the Ministry was against designating Karamyk as an international crossing as it would disadvantage Kyrgyz truckers whose equipment is viewed as inferior to that of Afghan truckers. Reasons cited by others for lack of effort to ratify the CBTA protocol included the hostile situation on the border with Tajikistan and the current government focus on preparing to join the Customs Union by Jan. 1, 2015.

ATAR will continue to work with stakeholders to promote ratification.

Public-private dialogue: Following two meetings with ATAR in the first half of November, the Kyrgyz Ministry of Economy held a roundtable on Nov. 25 with importers, exporters, bankers, insurance agents and government agencies in an effort to establish public-private dialogue.

Participants discussed possible changes that will result from Kyrgyzstan's entrance into the Customs Union. This was the first time the government provided official information to the private sector on the matter. All relevant federal agencies – customs, health, veterinary, and phyto-sanitary – were present and made short presentations. Sixty-three private-sector representatives from the private sector attended.

The Eurasian Economic Commission will hold another roundtable on Nov. 28 at the Ministry of Economy, and Kyrgyz customs agreed to a meeting with brokers on Dec. 9.







The Kyrgyz Ministry of Economy held a roundtable on Nov. 25 with importers, exporters, bankers, insurance agents, and government agencies in an effort to establish public-private dialogue.

3. Tajikistan

Support to the Ministry of Transport: On Nov. 12, ATAR participated in the inaugural meeting of a working group established for the reform of all Tajik laws related to transport. The Tajik Parliament has called for a single transport code; the activity is sponsored by the Tajik Ministry of Transport and coordinated by Association of International Road Carriers of the Republic of Tajikistan (ABBAT) with active participation of all government agencies with links to transport activities.

ATAR has undertaken research of best practice transport laws of the region and of similar land-locked nations. ATAR will participate in the review process of the code as it is drafted.

Support to the Tajikistan State Customs Service: ATAR visited the border crossing point at Nijni Panj for an overview of the "One Stop Shop" procedures that had been introduced by Tajik customs in early November.

ATAR met with agencies – customs, quarantine, veterinary, health, and transport – partnering on the One Stop Shop concept. ATAR will work with GIZ to develop procedures, recommend improvement to regulations and the process flow, and develop a national strategy for establishment of a system for integrated border management. Tajik customs informally requested that ATAR consider coordinating meetings at the border with Afghan counterparts.

ATAR met with the Tajik-Swiss Intellectual Property project (TSIPP) and agreed to jointly deliver train-the-trainer sessions to Tajik public sector on enforcement of intellectual property rights and awareness sessions on intellectual property rights to the private sector. ATAR and TSIPP will work together to develop the terms of reference and materials.

Support to the Tajikistan State Veterinary Inspection Service: ATAR convened a second roundtable with the Veterinary Inspection Service (VIS) on Nov. 11 to discuss optimal sources of information to support risk analyses and provided a demonstration of the risk management database developed for the Tajik Customs Service. VIS will consider options for adoption and customization of the risk management database.

In the second half of November, ATAR developed a terms of reference requiring a short-term expert to propose amendments to Tajik veterinary science laws and include provisions for the application of risk management methodologies; identify cross-border risks for insertion to the Tajik customs risk management system; and propose a method of collation of risk information that will facilitate risk analyses. GIZ will fund the expert, and ATAR will contribute to the review.

4. Turkmenistan

WTO TFA: ATAR continued assessing the conformity of Turkmenistan with the WTO Trade Faciliation Agreement (TFA) based on available information. ATAR has finalized conformity assessments with the WTO TFA for Afghanistan, the Kyrgyz Republic, and Tajikistan.

WTO/WCO customs assessment: ATAR continued the translation of the assessment of the Turkmen customs code with WTO agreements and the World Customs Organization Revised Kyoto Convention. ATAR also worked on translation of the recently adopted law on foreign trade and the recently adopted law on food safety.

5. Uzbekistan

Termez-Hairatan border crossing: ATAR launched a preliminary analysis to diagnose and identify the causes of problems at the Termez-Hairatan crossing between Afghanistan and Uzbekistan and make necessary recommendations.

Non-tariff trade barriers: ATAR started identification and analysis of top 10 non-tariff barriers to trade in Uzbekistan with the aim of recommending solutions for addressing them.

Cross-Cutting

Regional customs enforcement seminar: ATAR delivered a presentation on deep concealment of contraband in supposedly legitimate cargo shipments at a Regional Customs Enforcement Seminar in Karaganda, Kazakhstan, on Nov. 3-6. The seminar was sponsored by the Department of State. ATAR coordinated the participation of two Afghan customs representatives – the head of the customs academy and the deputy head of enforcement.

Fortified wheat flour study: ATAR completed a draft report on fortified wheat flour covering Afghanistan, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, and Uzbekistan.

The paper identifies the import, customs, and regulatory standards for fortified wheat flour in the region and provides a comparative table along with recommendations for harmonization and adherence to best international practices.

Modern Transport and Logistics Workshop: ATAR continued planning for the Modern Transport and Logistics Workshop to be held in Bishkek on Dec. 18-20. ATAR collected all required materials for the Afghan participants and Pakistan participants, prepared letters of invitation, completed consular forms, and submitted them to the Ministry of Foreign Affairs to get approval for visas. ATAR also collected presentations for translation prior to the conference.

The workshop will include customs and transport officials, carriers, truck operators, freight forwarders, logistics service providers, and warehouse and storage operators from Afghanistan, India, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The workshop will cover topics such as transit and transportation, latest developments in the TIR Convention, cold chain management, integrated logistics centers, and trade facilitation in Central Asia.

APTTA: ATAR launched an impact assessment on extending APTTA to Tajikistan and India and began to plan a route-mapping study between Uzbekistan and India via Afghanistan and Pakistan.

Regional comparative advantage/trade complementarity study: ATAR continued working on an analysis to assess regional comparative advantage and trade complementarity and identify viable value chains. ATAR has secured two sets of international trade data in support of this study.

Component 2: Looking Forward

- Promote signing of the MOU between Afghanistan and Tajikistan on electronic exchange of information.
- Continue to advance the MOU between regional chambers of commerce on establishing a

platform for cooperation.

- Promote ratification of CBTA protocol in Kyrgyzstan and facilitate transmission to Tajikistan.
- Support the Tajikistan State Customs Service on the National Strategy for Integrated Border Management following their implementation of the "one stop shop" on a nation-wide basis.
- Support the Tajikistan State Customs Service and the State Unitary Enterprise "Single Window" with "trader-friendly" publications and adoption of the CITS program to the official "Single Window" website.
- Continue to build capacity for managing customs risks within the Tajik customs encouraging adoption and full usage of a risk management database developed by ATAR.
- Continue preparation in all countries in support of Modern Transport and Logistics Workshop.
- Continue a regional study on comparative advantage and trade complementarity.
- Continue study on impact of extending APTTA to India and Pakistan.

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.



ACD officials took a pre-test before a risk management raining provided by ATAR.

Improved Customs Reform

ANCA: In the first half of November, ATAR completed its review of the training-of-trainers material that ANCA staff obtained during training in Bishkek. ATAR established that the majority related to customs work areas rather than highlighting the skills required in delivering presentations. ATAR will assist ANCA in developing and delivering material on effective presentation skills to support the training of trainers in Kabul and the regions.

Throughout November, ATAR continued developing training material for ACD in the areas of enforcement, management, and training presentation skills.

Risk management training: ATAR prepared and delivered a five-day training course on risk management for 11 staff at ACD between Nov. 8 and Nov. 18.

The Director General requested the training, which covered all facets of risk management to an intermediate level. The course worked towards the students being able to successfully complete a risk register based upon experiences from their work locations. Analysis of the pre and post written examination showed an average skills increase of 48.7 percent.

Streamlined procedures and risk management: ATAR submitted its reports on streamlined import procedures to the ACD Director General; ATAR will continue providing regular updates from the regions on the status of the import clearance procedures.

ATAR continued to monitor ACD's risk management in the regions and expects to submit its review in December 2014. The submission of this review is dependent on ASYCUDA data being submitted to ATAR. Despite several requests, ATAR is still awaiting the information.

E-Pay: In the first half of November, ATAR met with Da Afghanistan Bank's (DAB) Payments Director to discuss the latest developments on the electronic payment of customs duties, or E-Pay. DAB confirmed that the only task remaining for implementation of the interim E-Pay solution is for ACD to provide DAB with access to ASYCUDA World. ACD delivered training to DAB staff to access ASYCUDA, but must provide an access link and provide DAB staff with usernames and passwords.

DAB will continue to accept responsibility for acquitting ACD payments, which will be done at DAB headquarters with DAB staff acquitting payments directly within ASYCUDA World. ACD recently delivered the required training for DAB headquarters staff to undertake this function. The maximum time from payment at commercial bank to acquittal within ASYCUDA World by DAB staff at headquarters will be 10 minutes. All necessary internal procedures that support the manual acquittal of payments centrally by DAB staff within ASYCUDA World have been developed, including training to all commercial banks in how to handle ACD-related payments.

E-Pay will only work at locations where there is already full, automated integration between DAB headquarters and DAB regional branches. Full automation is present in Herat, Kunduz, Kandahar, Mazar-e-Sharif, Kabul, Gardez, and Jalalabad. These locations already account for the vast majority of ACD payments.

In regard to the long-term aim of full E-Pay, DAB has already selected a vendor to undertake changes to the DAB banking systems. This company has successfully undertaken similar integration projects in 32 other countries. DAB expects integration between DAB systems and the relevant ministries to be in place within 12 months. The role of the vendor is to configure the DAB systems with the necessary gateways for ministries to link their own systems.

The interim solution is shown below. Under full e-payment, step 2 will be automated.

E-PAY INTERIM SOLUTION



Customs regulations and procedures: During November, ATAR continued to support ACD in a review of its customs regulations and procedures. ATAR is reviewing customs advance ruling guidelines, customs storage fees guidelines, operating of duty free shops and regulations on inspection of goods after release.

Kazakh training: ATAR prepared for the participation of two ACD officers in the "Regional Seminar on Countering Drug Smuggling and Other Illicit Goods" from Nov. 3-6, in Karaganda, Kazakhstan, sponsored by the U.S. Department of State. ATAR assisted ACD in obtaining visas and supported ACD in preparing a presentation that was given at the seminar. (This item is also mentioned in the Cross-Cutting section of Component 2).

Regional activities: ATAR's regional customs specialists continued to support ACD regional directors and staff. The main focus has been on risk management, including the level of examinations being

performed in each location, the reason for the examinations and the amount of additional revenue collected or offence action undertaken.

The amount of consignments selected for examination is considered high in relation to international best practice. In some locations, approximately 30% of those goods selected for examination were found to be non-compliant. However, at Herat ICD approximately 47% of consignments were examined by ACD with no undeclared goods or violations recorded.

ATAR has implemented a new reporting mechanism to advise the Director General of concerns or issues mentioned in the project's regional reports.

University presentation: ATAR delivered a presentation on customs appeals to 20 students from Kabul University's Faculty of Law. The presentation, supported by the Commercial Law Development Program (CLDP), lasted for about one hour and included a question-and-answer session.

Component 3: Looking Forward

- Continue regional work with ACD.
- Continue to work with the ACD, DAB, World Bank, and USAID on E-Pay.
- Continue with the translation of information for the national review of risk management implementation in the ACD.
- Submit the review of risk management and BMM report.
- Discuss the implications and recommendations of the streamlined customs procedures report.
- Continue to assist ACD in reviewing regulations.
- Support ACD in delivering gender training to ACD staff.
- Deliver risk profiling training at ACD.
- Support ANCA in implementing WCO E-Learning.
- Continue to support ANCA in reviewing training material and developing new material.
- Continue implementation of the enforcement plan.
- Deploy of 10 ACD interns.
- Deploy customs specialist at Kabul International Airport/Kabul Inland Clearance Deport

ATAR Rolling Calendar

Rolling Calendar of Key Events					
Date	**Event**	**Participants**	**Location**	**Comp-onent**	**Comments**
Nov. 29-Dec. 8	L'Artigiano (International Crafts) Exhibition	13 Afghan handicraft producers to participate, ATAR	Milan, Italy	C2	.
Dec. 6	Roundtable on Boosting Afghan Export	Agriculture produce, marble and carpet exporters	MOCI, Kabul, Afghanistan	C2	ATAR will co-organize this roundtable with EPAA.

	Competitiveness through Trade Logistics				
Dec. 9	Public-private dialogue between customs and members of brokers association	Kyrgyz customs officials, brokers	Bishkek, Kyrgyzstan	C2	
Dec. 18-20	**Modern Transport and Logistics Workshop**	**IRU, ACCI, USAID, Afghan transporters**	**Bishkek, Kyrgyz Republic**	**C2**	
Dec. 30-31	**APTTCA Meeting**	**Afghan and Pakistani government officials and members of private sector**	**Islamabad, Pakistan**	**C2**	
Jan. 17-20	Domotex (Carpet Exhibition)	Afghan carpet sellers	Hanover, Germany	C2	ATAR is supporting EPAA in organization an Afghan pavilion.

* Bold items indicate the presence of high-level officials or media.

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Afghanistan Trade and Revenue (ATAR) Project

Monthly Report (Oct. 1–31, 2014)

Project Overview

ATAR helps Afghanistan realize its full potential in the global market. ATAR supports Afghanistan's accession to the World Trade Organization (WTO), improves Afghanistan's international trade, and works to increase customs revenue. ATAR is headquartered in Kabul and has staff in Mazar-i Sharif, Herat, and Jalalabad to support customs activities. ATAR also has a presence in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan and activities in Pakistan and India to strengthen Afghanistan's trade ties in Central and South Asia.

October Highlights

- The Afghan government, with ATAR support, made headway in 26 trade-related legal reforms necessary for WTO accession. The Ministry of Public Heath (MOPH) submitted the draft food safety law to the Ministry of Justice (MOJ) for review, the Upper House of Parliament reportedly approved the draft law on trademarks, MOJ began review of the draft law on trade secrets, and the Minister of Justice briefed Parliament on the draft law on geographical indications.
- The Afghan government, with ATAR support, continued developing regulations and procedures to prepare for implementation of WTO-related laws on sanitary and phytosanitary requirements, which cover human, animal, and plant health.
- ATAR built the capacity of the Afghanistan National Standards Authority (ANSA) to ensure quality products and services in Afghanistan with two workshops on international standards.
- Seven Afghan traders, with preparatory support from the Export Promotion Agency of Afghanistan (EPAA) and ATAR, showcased their products, including leather goods, dried fruit, and handicrafts, at the fourth annual Central Asian Trade Forum in Almaty, Kazakhstan, on Oct. 29-30.
- ATAR organized two seminars for the Central Statistics Organization (CSO) and the Ministry of Commerce and Industries' Trade Policy Analysis Unit to collect and validate data from the Afghanistan Customs Department (ACD). The seminars are part of efforts to reduce discrepancies in trade data between ACD and CSO.
- ATAR continued to build risk management capacity in the customs departments of the Kyrgyz Republic and Tajikistan with workshops on risk management databases. Risk management enables customs to clear goods more efficiently by scrutinizing high-risk goods more closely than low-risk ones.
- ACD reactivated CLiKC!, the World Customs Organization (WCO) online learning program, at ATAR's initiative and with its support. ACD and ATAR will develop a program for Afghanistan National Customs Academy (ANCA) students to participate in CLiKC!

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to WTO. This is accomplished by building technical capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will provide a framework to attract investment and enable the private sector to grow and prosper.

1. WTO Accession Process

Fifth Working Party meeting: The Afghan government had completed preparations for holding its fifth Working Party meeting in October 2013 and further augmented materials for the meeting in February 2014 with ATAR support. The fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of all WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the Afghan government.

2. Legislative Reforms for WTO Conformity

WTO-related laws: During October, ATAR continued to work with the Afghan government to draft or reform laws for WTO accession. The table provides the status of WTO-related legislative items as of the end of October 2014. ATAR's active areas of support for the month are in light blue.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[1] 2. Ministry of Justice 3. Council of Ministers[2] 4. Parliament 5. President 6. Entry into Force	Laws and Regulations Included in MOJ 1393[3] Agenda[4]
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Council of Ministers in March 2014. The review will not start until the new government is in place.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted. ATAR	Sponsoring Ministry	N/A

[1] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[2] Regulations go to the Council of Ministers and do not proceed further.
[3] The solar year 1393 covers the Gregorian year March 21, 2014, through March 20, 2015.
[4] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

	advance origin rulings)		supported creation of a working group in July 2014 to review the draft with new ACD staff. ATAR worked with the legal department to finalize the draft; the draft has been submitted to the Director General for approval. ATAR is following up with the Director General.		
4	Law on Standards and Technical Regulations	ANSA Sayed Hashimi Farhat Farhat	ANSA completed its review and shared a Dari version of the law with track changes with ATAR. ATAR has launched a review of revised draft for WTO conformity.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	On Aug. 23, the Legislative Committee of the Council of Ministers approved the draft and submitted it to the Secretariat of the Council of Ministers to be included on the agenda of the General Meeting of the Council of Ministers. The Council of Ministers approved the draft in September 2014.	Council of Ministers	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	ATAR assisted MAIL in finalizing the draft from June to September 2014. The draft was presented to the MAIL Minister on Sept. 27, and the Minister approved the law. MAIL submitted the draft to MOJ on Sept. 30. ATAR will assist MOJ to start review of the draft.	Sponsoring Ministry	Yes
7	Law on Food Safety	MOPH Sayed Hashimi Gary Stefan	In a significant development, the MOPH submitted the draft food law to MOJ on Oct. 29.	Ministry of Justice	Yes
8	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	MOJ submitted the law to the Council of Ministers in March 2014. The Council of Ministers is not likely to begin its review before the new Council of Ministers is in place.	Council of Ministers	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	MOJ submitted the draft to Parliament in April 2014. In a significant development, the National Assembly Upper House of Parliament completed its review of the draft and reportedly approved the draft in late October.	Parliament	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	In July 2014, MOJ submitted the draft amendments to the Legislative Committee of the Council of Ministries. ATAR worked with MOIC and MOJ in September 2014 to refine Copyright Board responsibilities.	Council of Ministers	Yes

12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	In an important development, the law was submitted by the Acting Minister of Justice to the Parliament on Oct. 8. On Oct. 18, the Acting Minister of Justice presented the law to the Lower House. The Minister briefed Parliament on the importance of this law. On Oct. 28, the National Economic Commission of the Parliament (Lower House) conducted a roundtable on the law.	Parliament	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	ATAR assisted MOJ in conducting three working group meeting to review the law on Oct. 13, Oct. 22, and Oct. 25. The working groups included Ministry of Finance (MOF), Ministry of Economy, and MOCI. The group achieved significant progress, with 20 key articles of the draft agreed upon.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI Wali Faqirzaad Polly Maier	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.	Ministry of Justice	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	In a new development, MOJ's Private Sector Department started review of the draft. On Oct. 28, ATAR participated in the first working group meeting and explained each article. Participants completed review of the first five articles.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	The draft is at MOJ awaiting review by the relevant legislative department.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi Polly Maier	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments (unrelated to WTO). MOJ is working on the draft after approval of the amendments.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR is working with MOCI to encourage MOJ to include the draft on this year's agenda. During this period, ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection.	Sponsoring Ministry	No
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad Drew Sundberg	ATAR assisted MOJ in conducting two working group meetings on Oct. 1 and Oct. 11. Fifteen articles were reviewed. MOJ's Publication Department proposed the addition of six new articles for the law. ATAR will review the proposed additions.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar Drew Sundberg	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A

21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi Drew Sundberg	During the period, ATAR assisted MOJ in working group meetings to review the draft. Thirteen articles of 19 have been reviewed. The aim is to finalize the law at a technical level of MOJ in November and have the law submitted to MOJ's Executive Board.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi Drew Sundberg	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review. ATAR assisted ACD to conduct a working group meeting on Aug. 6 to review the procedure.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO. ATAR met with the Director of the Avicenna Pharmaceutical Institute and discussed the cost analysis. ATAR also met with MOPH's Pharmacy Department and was requested to explain how the safeguards law protects against import surges of medicine and equipment. ATAR explained the law and, with MOCI's approval, submitted the draft safeguards law to the Pharmacy Department.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Siyar Sahar Farhat Farhat	The Afghanistan Revenue Department (ARD) said the draft was finalized and submitted to MOJ. MOJ said it did not receive the draft.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi Drew Sundberg	The draft is awaiting review by the relevant MOJ legislative department. MOCI and ATAR are encouraging MOJ to include the law on this year's agenda.	Ministry of Justice	No
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The Lower House approved the law; the law is pending approval by the Upper House.	Parliament	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law on August 11.	President	Yes

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Copyrights law: ATAR continued working with MOIC's copyright office to clarify issues on the interpretation of the translated Berne Convention. ATAR further assisted MOIC in drafting a letter to the World Intellectual Property Organization (WIPO) officially requesting that Afghanistan join the Berne Convention, which is an international agreement governing copyrights. Although Afghanistan is a WIPO member, it has not yet joined this key WIPO convention.

Food safety law: ATAR continued work with MOPH to educate government officials, private-sector representatives, and academics on food regulations and guidelines that will support implementation of the food safety law.

On Oct. 12, ATAR supported MOPH in holding a food regulation working group meeting regarding the release of public information on food safety. The meeting was attended by MOPH, MOCI, Afghanistan Chamber of Commerce and Industries (ACCI), ANSA, EPAA, National Environmental Protection Agency (NEPA), and Kabul University. ATAR provided technical guidance during the meeting.

On Oct. 14, ATAR conducted a seminar for MOPH to review internationally recognized guidelines for product tracing as a tool within a food inspection and certification system. The guidelines were used as a basis for a draft regulation on recall requirements for food producers, distributors, and retailers.

On Oct. 22 and 27, ATAR, in conjunction with MOPH and its food regulations working group, gave 14 presentations on Afghanistan's food law and its supporting regulations. Twenty-seven individuals from MOPH, ANSA, MAIL, MOCI, Kabul University, ACCI, EPAA, MOF, Kabul Municipality, the Afghan Atomic Energy High Commission, and the World Food Program participated in each full-day event.

On Oct. 19 and Oct. 26, ATAR conducted roundtables to explain draft regulations and procedures for consideration by MOPH's food regulations working group. On Oct. 19 the topic was the administrative detention of food, and on Oct. 26 the topic was the food category system used with food additives.

Animal and veterinary public health law: ATAR continued to educate stakeholders on procedures that will support implementation of the law on animal health and veterinary public health.



ATAR held roundtables on procedures to support the animal health and veterinary public health law.

ATAR assisted MAIL's Animal Health and Veterinary Services Department in holding five working group meetings and three roundtables on draft procedure in support of the law. Participants include MAIL, MOCI, Kabul University, and the Afghanistan Poultry and Meat Importers Association.

Plant protection and quarantine law: ATAR continued assistance to MAIL's Plant Protection and Quarantine Department to incorporate feedback of working group meetings regarding draft procedures for implementing the law on plant protection and quarantine.

ATAR will encourage the development of a procedure manual to strengthen quarantine system management in Afghanistan under International Plant Protection Convention guidelines.

4. Capacity and Sustainability of the Afghan National Standards Authority (ANSA)

ISO training: On Oct. 15, ATAR conducted a training to build the capacity of 20 ANSA staff on international standards. ATAR provided an overview of conformity assessment and an introduction to ISO 9001 quality management system (QMS) standards for ANSA. ISO 9001 is an international standard designed to improve the management of companies and other organizations, to reduce waste, and increase productivity and customer satisfaction.



ATAR held training for ANSA staff on international standards.

On Oct. 22, ATAR conducted a second, more advanced workshop on ISO 9001 QMS requirements to ANSA staff. The second training elaborated on the five main requirements under ISO 9001.

On Oct. 25, ATAR and ANSA held a general awareness session on conformity assessment and ISO 9001 for 28 vocational students from the Commerce Vocational Institute.

Roundtable on TBT agreement: On Oct. 28, ATAR and ANSA organized a roundtable to explain equivalence mechanisms under the WTO Technical Barriers to Trade (TBT) agreement. Participants were from MAIL, MOPH, MOJ, ACD, EPAA, ACCI, and ANSA.

Equivalence is an important WTO TBT concept and is designed to simplify trade by having WTO members accepting the technical regulations and conformity assessment procedures of trading partners.

5. Transforming and Building Capacity and Technical Sustainability of the WTO Unit at MOCI

WTO Unit: ATAR continued development of new terms of reference for MOCI's WTO Unit as part of efforts to build the capacity of the unit to handle post-accession matters. The terms of reference will include defining functions of the WTO Unit, job descriptions, and qualification requirements. After a new Minister and MOCI subcabinet are appointed, they will vet the proposed structure.

6. Building Analytical Capacity

TPAU: ATAR began working with MOCI's Trade Policy Analysis Unit (TPAU) on a database of strategic products for food security in Afghanistan. The database includes Afghanistan's most important products with calculations on annual consumption and statistics regarding production, imports, and exports.

ATAR organized two roundtables at MAIL for three employees of TPAU and three employees of MAIL statistics and information unit to identify about 20 strategic goods. ATAR delivered training on a methodology on how to estimate the consumption of these goods in Afghanistan.

ATAR also organized two seminars for the Central Statistics Organization (CSO) and TPAU to collect, validate and prepare data from ACD. The efforts are part of efforts to reduce discrepancies in trade data from ACD and CSO.

In addition, ATAR continued building the capacity of the TPAU through on-the-job training with trade policy analysis, including assistance in preparing MOCI's half-year review that is about to be released.

7. Building Nationwide WTO Awareness

WTO awareness seminars: ATAR is awaiting feedback from MOCI on a plan for WTO seminars to educate stakeholders on the WTO and its benefits for Afghanistan.

Component 1: Looking Forward

- Provide support, as requested, for Afghanistan's participation in its fifth Working Party meeting.
- Continue support to advance WTO-related draft legislation, regulations, and procedures related to sanitary and phytosanitary laws.
- Continue to work with MOPH to advance development of implementing regulations and procedures for the law on food safety.
- Launch support to MOJ in reviewing the draft food law for presentation to the Council of Ministers.
- Assist MOCI to finalize a plan for WTO awareness seminars.
- Continue development of procedures and training materials for intellectual property border enforcement by ACD.
- Continue work on terms of reference for WTO unit in post-accession environment
- Continue development of materials for a phytosanitary course to be delivered at Kabul University.

- Continue building the capacity of the TPAU through on-the-job training to identify and analyze raw materials needed for Afghan producers and identify sources of supply for importing them.
- Continue supporting implementation of the memorandum of understanding between ACD and the CSO to further reduce discrepancies in trade statistics and start guiding in adjustments to ASYCUDA World for transfer of data from ACD to CSO.
- Start building economic analysis capacity of MAIL's Statistics and Market Management Information Directorate using historical/statistical data and developing economic models.
- Start capacity building assessment needs of the TPAU pending approval of the terms of reference of the short-term consultant.
- Hold a workshop with at MAIL's Seed Certification Directorate on Afghan-specific benefits of plant variety protection.
- Submit a written assessment report to MAIL on plant variety protection in Afghanistan.

COMPONENT 2: ENHANCED ACCESS TO REGIONAL MARKETS

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the Afghan government to support measures needed to implement regional trade agreements; and (3) supports the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

1. Afghanistan

APTTCA meeting: ATAR continued assisting MOCI and ACD in preparation for the Afghanistan-Pakistan Transit Trade Coordinating Authority (APTTCA) meeting by identifying agenda priorities and preparing participants to discuss key issues. The meeting is expected to occur in December 2014 after a new cabinet is appointed and priorities for the new government are set. APTTCA administers and oversees implementation of the Afghanistan-Pakistan Transit Trade Agreement (APTTA).

SAFTA: ATAR guided the preparation of a briefing paper in Dari for the Minister of Commerce and Industries for presentation to the Cabinet of Ministers and Presidential Office regarding the South Asia Free Trade Area (SAFTA) Agreement and the South Asian Association for Regional Cooperation (SAARC) Agreement on Trade in Services (SATIS). The report contains information on SAFTA achievements as well as data on trade and services with SAARC countries for the last five years.

CBTA: ATAR followed up on the status of Afghanistan's draft protocol of accession to the Cross Border Transport Agreement (CBTA). ATAR met the Kyrgyz Embassy and assisted in examining various files in order to locate the CBTA. The Kyrgyz Embassy informed ATAR that it found the communications from the Afghan government for transmitting the CBTA and the original protocol. The Kyrgyz Embassy said it will transmit it to the Kyrgyz Ministry of Foreign Affairs.



With preparatory support from EPAA and ATAR, seven Afghan traders participated in the Central Asian Trade Forum in Kazakhstan.

CATF: Seven Afghan traders showcased their products, including leather goods, dried fruit, and handicrafts, at the fourth annual Central Asian Trade Forum in Almaty, Kazakhstan, on Oct. 29-30.

EPAA, in partnership with ATAR, prepared the Afghan participants for the event, which was organized by USAID's Regional Economic Cooperation (REC) project. A delegation of Afghan traders will also attend the World Food Exhibition, on Nov 5-7, 2014 in Almaty, Kazakhstan.

The participants, including two female business owners, met with potential buyers, trade representatives, and government officials from Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan, and Pakistan. ATAR held training sessions on promotion tools and techniques on Oct. 19-21 in EPAA's premises for EPAA staff and the traders in preparation of trade missions for Central Asian Trade Forum and World Food Exhibition.

Cost-competitive analyses: EPAA and ATAR finalized a cost-competitive analysis for Afghan figs and started a similar analysis on pomegranates.

2. Kyrgyz Republic

Customs training: ATAR supported the Organization for Security and Co-operation in Europe (OSCE) in preparing for a training of Afghan customs officers at the Kyrgyz Customs Academy. ATAR completed the training materials and gave them to OSCE for translation. An ATAR instructor will lead the course, which will be held from Nov. 5-11 and comprise 40 hours of intellectual property rights training.

EDI: In the first half of the month, ATAR installed and tested an electronic data interchange (EDI) node within the Kyrgyz customs information technology system. This will facilitate customs-to-customs cooperation and reduction of corruption by transmitting pre-arrival declarations in real-time.

Risk management support: ATAR finalized and provided to Kyrgyz customs guidelines on risk profiling and assisted the Kyrgy risk management department in developing four risk profiles based on the methodology proposed by ATAR.

ATAR conducted workshops for Kyrgyz customs on how to input data into a new risk management database and how to produce queries and reports. ATAR also completed an analysis of relevant risk management provisions of the Kyrgyz customs code to determine compatibility with the WCO Revised Kyoto Convention.

On Oct. 6, ATAR met with the Kyrgyz Head of Customs Risk Management to discuss future cooperation. She indicated she would like ATAR to continue work on developing the customs risk management system and begin work on developing an authorized economy operator program.

Training/human resources system: At the request of the OSCE and Kyrgyz customs, ATAR demonstrated the training and human resources management system the project developed in support of ACD and the Afghanistan National Customs Academy (ANCA). OSCE and Kyrgyz customs found the system to be useful for the Kyrgyz Customs Training Academy. With USAID approval, ATAR is prepared to translate this program into Russian and install it on the customs system in 2015.

Public-private dialogue: During the reporting period, ATAR met with the Kyrgyz Chamber of Commerce and Industry and American Chamber of Commerce (AmCham) to discuss ways to implement a mechanism for public-private dialogue between customs and traders, carriers, and warehouse operators.

While both supported the idea, they indicated that customs may not participate at this time due to its current focus on Customs Union issues. The Chamber suggested the Ministry of Economy may be interested and its involvement may lead to future customs participation.

3. Tajikistan

Risk management and post-clearance audits: ATAR continued work to build the capacity of Tajik customs in the areas of risk management and post-clearance audit.

In the first half of October, ATAR presented three documents to Tajik customs for review: customs risk management principles and profiling guidelines; a risk-based approach to selection for and scheduling of customs post-clearance audits; and a customs policy for information security. ATAR also completed its development of the risk management database to facilitate storage and indexing of customs data to generate risk profiles.

ATAR met with customs on several occasions to discuss the risk management procedures, to adapt the risk management database to their requirements, and to train them on its operation. In the latter half of October, ATAR delivered a final version of the risk management database and provided on-the-job training on how to use it to produce risk management profiles for cargo selection and reports. ATAR also developed a user manual with detailed instructions and began translating the manual.

CITS: ATAR completed the development of the Comprehensive Integrated Tariff System (CITS) program for Tajik customs with the consolidation and analysis of the import and export trade measures.



ATAR presented a system allowing traders to access information on regulatory requirements for products imported into and exported from Tajikistan.

ATAR presented CITS to the Tajik customs database administrators and the Tajik State Unitary Enterprise (SUE) single window database administrators. ATAR delivered the CITS program and provided on-the-job training. ATAR also developed a user manual that shall be delivered to customs when translated.

With CITS, traders can access information on regulatory requirements for products imported into or exported from Tajikistan.

Trade-related events: ATAR participated in various workshops and roundtables in Tajikistan:

- A workshop to discuss Heart of Asia activities associated with regional security, trade, and migration between Afghanistan and Central Asian nations.
- A customs update to the public sector in conjunction with a briefing by the Tajikistan Chamber of Commerce and Industry (TCCI) on the facilitation and automation of custom procedures with regard to the One Stop Shop concept.
- Two sessions elaborating on Tajikistan's post-WTO accession commitments with an emphasis on the food, agriculture, and metallurgy sectors.

- A presentation of the University of Central Asia's study of factors impeding the development of Tajikistan's private sector.
- A leadership forum "Tajikistan at the crossroads" – discussing regional economic cooperation developments and opportunities for investors and enhancing the Tajik investment climate.
- An economic and investment forum discussing a roadmap for strengthening business and investment and international trade.
- A presentation of the "Uzbekistan transportation legal frame and information technology innovation use in transport sector" that followed the signing of a trilateral memorandum on cooperation in freight forwarding between Association of International Automobile Carriers of Tajikistan (ABBAT) and the international freight forwarders associations of Uzbekistan and Tajikistan. This is the first memorandum signed between business associations of the two countries on transport issues in 12 years.

Support to private-sector associations: On separate occasions, ATAR met with the Chairman and the newly appointed Deputy Chairman of TCCI and confirmed the Chamber's interest in the proposed memorandum of understanding to establish a framework for regional cooperation between various chambers of Central and South Asia.

ATAR is also analyzing requests for technical assistance received from the TCCI attaché to ACCI regarding a bilateral Tajik-Afghan business-to-business event planned for Dushanbe in November, and from the American Chamber of Commerce (AmCham) in Dushanbe regarding development of a regional AmCham - Central and South Asia.

Support to the Tajikistan State Veterinary Inspection Service: ATAR convened a roundtable with the Veterinary Inspection Service to discuss risk management principles in ISO and the integration of the principles and veterinary science requirements of a risk analysis framework into its administration.



ATAR held a roundtable with Tajikistan's Veterinary Inspection Service to discuss risk management principles.

The Veterinary Inspection Service will develop its strategy for integration, and ATAR is encouraging its cooperation with Tajik customs to share information sources and risk data to support inter-agency efforts.

4. Turkmenistan

WTO TFA and customs assessment: ATAR continued assessing the conformity of Turkmenistan

with the WTO TFA and began translating its assessment of the Turkmen customs code with WTO agreements and the WCO Revised Kyoto Convention. ATAR also worked on translation of the recently adopted law on foreign trade and the recently adopted law on food safety.

Trade facilitation: ATAR identified Turkmen officials and stakeholders for participation in the upcoming Modern Transport and Logistics Workshop in Bishkek and supported USAID's REC project to identify Turkmen participants for the Central Asian Trade Forum.

ATAR followed up with Turkmen businesses that expressed interest at the Turkmen Construction Fair in importing marble from Afghanistan. Turkmen importers said they are interested provided that Afghan producers can deliver large quantity in a sustainable manner.

5. Uzbekistan

ATAR trade representative: ATAR fielded a trade representative in Uzbekistan. He had an introductory meeting with USAID/Tashkent, launched support to facilitate participation of Uzbek officials and stakeholders in the upcoming Modern Transport and Logistics Workshop, and offered support to REC to identify and facilitate participation of Uzbek officials and stakeholders in Central Asian Trade Forum.

Cross-Cutting

Trade studies: ATAR completed a draft report on regional trade opportunities covering Afghanistan, India, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

Fortified wheat flour study: ATAR completed a preliminary draft of a regional study on fortified wheat flour in Afghanistan, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, and Uzbekistan. The draft contains a comparative table along with recommendations for harmonization and adherence to best practices.

The report has been shared with regional USAID officials and Global Alliance for Improved Nutrition (GAIN). ATAR is planning a follow-up call with regional USAID staff and GAIN in early November.

Modern Transport and Logistics Workshop: ATAR planned the Modern Transport and Logistics Workshop to be held in Bishkek on Dec. 18-20.

The workshop will include customs and transport officials, carriers, truck operators, freight forwarders, logistics service providers, and warehouse and storage operators from Afghanistan, India, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The workshop will cover topics such as transit and transportation, latest developments in the Transports Internationaux Routiers convention, cold chain management, integrated logistics centers, and trade facilitation in Central Asia.

APTTA: ATAR started to plan an impact assessment on extending APTTA to Tajikistan and India and began to plan a route-mapping study between Uzbekistan and India via Afghanistan and Pakistan.

Component 2: Looking Forward

- Promote signing of the MOU between Afghanistan and Tajikistan on electronic exchange of information.
- Continue to advance the MOU between regional chambers of commerce on establishing a platform for cooperation.
- Support the Tajikistan State Customs Service with plans for the pilots of the "one-stop" concept and Single Window program at Nijni Panj (in partnership with GIZ).
- Continue to build capacity for managing customs risks within the Tajik customs encouraging adoption and full usage of a risk management database developed by ATAR.
- Continue to build capacity for managing customs risks within the Tajikistan State Customs Service by encouraging adoption and full usage of the risk management database.
- Plan for a roundtable (in partnership with GIZ) to discuss integration or risk management principles to the operations of the Tajik State Veterinary Service.
- Continue working with OSCE on an intellectual property training class for Afghan customs officers at the Kyrgyz Customs Academy.
- Continue preparation in all countries in support of Modern Transport and Logistics Workshop.
- Continue work on fortified wheat flour study.
- Launch study on impact of extending APTTA to India and Pakistan
- Provide training on promotion tools and techniques for EPAA and local exporters.

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

The purpose of Component 3 is to enhance the Afghan government's capacity to generate revenue a) through implementation of value added tax (VAT), in combination with outreach and enforcement, and b) improve customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

Customs 3a: Improved Tax Administration

VAT: This activity is on hold pending further instruction from USAID and was temporarily removed from ATAR's year-one and draft year-two work plan.

Customs 3b: Improved Customs Reform

ANCA: ATAR completed its review of training material developed by Border Management Task Force on basic customs training for the Afghanistan National Customs Academy (ANCA).

ANCA updated the majority of the presentations, in Dari. ATAR will support ANCA in version control, management checks, and a training committee to agree on changes to the material. ATAR and ANCA will update existing training material and produce it in a consistent format.

ACD reactivated CLiKC!, the WCO online learning program, with ATAR support. ACD's Director of Support and Development and ATAR agreed to develop a program for students to participate in CLiKC!.



ATAR supported ACD in reactivating CLiKC!, an online learning program operated by the WCO.

Since the material is in English, ATAR will contact WCO to determine if other Dari or Persian speaking countries have WCO materials that could be used by ANCA.

BMM review: ATAR continued working on its assessment of the Border Management Model (BMM) at Sher Khan Bandar, Hairatan, Islam Qala, Torkham, Aquina Border Crossing Points (BCPs) and Kabul International Airport. ATAR expects to submit its report in the first half of November.

ACD, the Afghan Border Police, and ATAR coordinated on the assessment of the BMM at those sites earlier in the year. The BMM is a two-pronged approach to coordinate the two line ministries, the MOF and the Ministry of Interior, operating at the border.

Risk management and streamlined procedures: ATAR continued to monitor ACD's risk management and streamlined import procedures in the regions and expects to submit its review of both in November 2014.

ATAR prepared the first module of a risk management course for delivery at ANCA to about 20 ACD employees from the investigation unit, operations unit, risk management, Kabul customs house, and Kabul International Airport.

Under risk management, the Automated System for Customs Data (ASYCUDA) assigns each import to a clearance method – a physical inspection, documentary check, or immediate release - based on its level of risk. Removing the human element from determining which goods should be examined removes the need for arbitrary and unnecessary examinations. ACD has implemented risk management, but ATAR is working to align its approach with international standards.

E-Pay: ATAR supplied USAID with a list of participants and agenda items for the next meeting that will agree on the tasking to enable the electronic payment, or E-Pay, of customs duties.

With ATAR support, ACD, Da Afghanistan Bank, and commercial banks have agreed to launch the electronic payment of customs duties in the near future; importers will pay duties electronically at their commercial banks, eliminating the need for cash and improving revenue integrity.

Customs regulations and procedures: ATAR continued to support ACD in a review of its customs regulations and procedures. ATAR is reviewing custom advance ruling guidelines, custom storage fees guidelines, and regulations on inspection of goods after release.

Recruitment of interns: ATAR completed selection of ten interns, including eight males and two females, for an internship program at ACD. The students, who have all recently graduated from university in a relevant field, will intern at ACD for six months.

Kazakh training: ATAR prepared for the participation of two ACD officers in the "Regional Seminar on Countering Drug Smuggling and Other Illicit Goods" from Nov. 3-6, in Karaganda, Kazakhstan, sponsored by the U.S. Department of State. ATAR assisted ACD in obtaining visas and supported ACD in preparing a presentation to be given at the seminar.

Component 3: Looking Forward

- Continue regional work with ACD.
- Continue to work with the ACD, DAB, World Bank and USAID on E-Pay.
- Continue with the translation of information for the national review of risk management implementation in the ACD.
- Submit the review of the BMM and risk management,
- Discuss the implications and recommendations of the streamlined customs procedures report.
- Continue to assist ACD in reviewing regulations.
- Support ACD in delivering gender training to ACD staff.
- Deliver risk management training at ANCA.
- Support ANCA in implementing WCO E-Learning.
- Continue to support ANCA in reviewing training material and developing new material.

ATAR Rolling Calendar

Rolling Calendar					
Date	**Event**	**Participants**	**Location**	**Comp-onent**	**Comments**
Early November	Intellectual property rights training	Afghan customs officials	Kyrgyz Customs Academy	C2	ATAR and OSCE are supporting the training.
Nov. 2-3	Enforcement Training	Two ACD officials, CAR customs officials	Karaganda, Kazakhstan	C3	U.S. State Department is supporting participation of the two officials.
Nov. 5-7	World Food Exhibition	EPAA	Almaty, Kazakhstan	C2	
Nov. 9-11	TIR Train the Trainers	20 ACD officers	ANCA, Kabul	C2	ATAR will deliver this training.
Dec. 9	Roundtable on Boosting Afghan Export Competitiveness through Trade Logistics	Agriculture produce, marble and carpet exporters	MOCI, Kabul, Afghanistan	C2	ATAR will co-organize this roundtable with EPAA.
Dec. 18-20	**Modern Transport and Logistics Workshop**	**IRU, ACCI, USAID, Afghan transporters**	**Bishkek, Kyrgyz Republic**	**C2**	**November 13-15**

* Bold items indicate the presence of high-level officials or media.

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AFGHANISTAN TRADE AND REVENUE (ATAR) PROJECT

Quarterly Report for January-March 2014



ATAR worked with other USAID projects to support Afghanistan's participation in Gulfood 2014 in Dubai and in taking Afghan traders on trips to Dubai markets. The traders signed more than $8 million in deals.

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Quarterly Report for January-March 2014

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ACRONYMS

ACD	Afghanistan Customs Department
ANSA	Afghan National Standards Authority
ARD	Afghanistan Revenue Department
ASYCUDA	Automated System of Customs Data
ATAR	Afghanistan Trade and Revenue project
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CBTA	Cross Border Transport of Persons, Vehicles, and Goods Agreement
CSO	Central Statistics Office
DFID	Department for International Development
EGGI	Economic Growth and Governance Initiative
EPAA	Export Promotion Agency of Afghanistan
GDP	Gross Domestic Product
GIROA	Government of the Islamic Republic of Afghanistan
GSP	Generalized System of Preferences
IPPC	International Plant Protection Convention
LTO	Large Taxpayer Office
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MFN	Most Favored Nation
MOCI	Ministry of Commerce and Industries
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOI	Ministry of Interior
MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOPH	Ministry of Public Health
TAFA	Trade Accession and Facilitation for Afghanistan I and II projects
TAP	Tax Administration Program
TARVAL	Tariff and Valuation Management Tool
TBD	To Be Determined
TPAU	Trade Policy Analysis Unit
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
VAT	Value Added Tax
WTO	World Trade Organization

INTRODUCTION

USAID designed the Afghanistan Trade and Revenue (ATAR) project so that Afghanistan could realize its full potential in the global trading market. ATAR will provide assistance to strengthen the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through this critical transition period. The project builds upon a number of trade activities begun under USAID's Trade Accession and Facilitation for Afghanistan projects (TAFA and TAFA II, 2009 to 2013); USAID's Economic Growth and Governance Initiative (EGGI, 2009 to 2013); and the Department for International Development's (DFID) Tax Administration Program (TAP, 2012 to 2015).

ATAR is tasked with:

1. Improving the capacity of the Government of the Islamic Republic of Afghanistan (GIROA) to create and implement a liberal policy framework for trade and investment in accordance with international standards;
2. Enhancing integration in the regional and world economy through the promotion of trade and agreements, enhanced governance of corridors, and private-sector linkages throughout South and Central Asia;
3. Strengthening revenue generation for fiscal sustainability and trade facilitation through reforms and anti-corruption measures in customs and taxation.

These objectives will be achieved through three ATAR components:

Component 1: Support Trade Policy Liberalization

Component 1 will promote liberalization of Afghanistan's trade regime by supporting its accession to the World Trade Organization (WTO). This support will be accomplished by building the necessary capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime within the region and meet WTO requirements. The policies, laws, and regulations will attract investment and enable the private sector to grow and prosper.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR will (1) facilitate the development and implementation of regional trade agreements; (2) assist GIROA to support measures needed to implement regional trade agreements; and (3) support the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with countries such as Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan. Additionally, this component may support USAID's regional economic zone (REZ) strategy.

Component 3: Improved Customs Administration

Component 3 will (1) enhance capacity GIROA to generate revenue through implementation of value added tax (VAT), in combination with outreach and enforcement; (2) improve customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade. Component 3 will build GIROA's capacity to generate revenue, through both tax and customs, to facilitate sustainable economic growth and trade and reduce GIROA dependence on donor funding.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

1. WTO Accession Process

Conclusion of bilateral negotiations

In a major step toward World Trade Organization (WTO) accession, Afghanistan concluded its bilateral negotiations on goods and services, which is a major milestone in the accession process of Afghanistan. The Schedule of Concessions and Commitments on Goods and the Schedule of Specific Commitments on Services constitute two of the three major technical documents (the third being the Draft Working Party Report) forming the Accession Package.

In January, Afghanistan concluded bilateral negotiations with the United States on market access for U.S. goods and services entering Afghanistan. During the month, ATAR had supported Afghanistan in finalizing aspects of the negotiations, including acceptance of Initial Negotiation Rights (INR) for 97 agricultural items proposed by the United States, acceptance of two additional items under the Information Technology Agreement (ITA), and updating the ITA schedule. ATAR further assisted Afghanistan's Ministry of Commerce and Industries (MOCI) in providing clarifications to resolve issues related to Trade-Related Investment Measures (TRIMS), particularly those concerning procurement of services by contractors under the 2009 hydrocarbon law and by license holders under the 2009 mineral law and the draft mineral law.

On January 19, Afghanistan and the United States signed the protocol on market access on goods and services at MOCI. "When Afghanistan becomes a WTO member, the international trade community will gain more confidence as Afghanistan will have committed to international rules of trade," said MOCI Deputy Minister Shinwari during the signing ceremony. Local media covered the event.

In February, the MOCI Deputy Minister formally signed bilateral protocols on goods and services in Geneva with four remaining countries – Turkey, Chinese Taipei, Korea, and the European Union. ATAR supported this process in reviewing and finalizing the draft protocols and schedules prior to signing.

In total, Afghanistan has signed bilateral protocols with nine countries. As a result, the WTO finalized Afghanistan's draft consolidated schedule of concessions and commitments on goods and the draft schedule of specific commitments on services in February. ATAR supported MOCI in finalizing this process with the WTO, including verifying the bilateral schedules and the consolidated schedules.

On Feb. 14, the WTO circulated the draft consolidated schedules for verification by the nine countries with which Afghanistan had bilateral negotiations: the United States, the European Union, Canada, Japan, Turkey, Thailand, Korea, Chinese Taipei, and Norway. On Feb. 27, representatives from the nine countries held an informal working group meeting on technical verification at the WTO headquarters in Geneva and confirmed the two schedules. The countries completed the technical verification and agreed to the official circulation of the final schedules to other Working Party members.

Preparation for fifth Working Party meeting

The WTO Secretariat circulated Afghanistan's accession package to WTO members in preparation for Afghanistan's fifth Working Party meeting at WTO headquarters in Geneva, Switzerland. The accession package includes the consolidated schedule of specific commitments on services, the schedule of concessions and commitments on goods, the draft Working Party Report, and the draft protocol of accession.

With the help of ATAR, Afghanistan's draft Working Party Report and its legislative action plan were updated in early March. ATAR updated the Dari draft Working Party Report to keep the document in line with the English text.

During February, ATAR assisted in the development of the draft Information Technology Agreement (ITA) schedule, including meeting at the WTO to address gaps and inconsistencies. The WTO finalized Afghanistan's draft ITA schedule on Feb. 21 and circulated the schedule to its ITA Committee for review and confirmation. Under the ITA, participating countries eliminate duties on information technology products covered by the agreement.

Afghanistan and Working Party members have completed preparation enabling the fifth Working Party meeting, which was initially set for the final week of March 2014. Mainly due to delays in securing government approval for the Afghan delegation to travel to the WTO in Geneva and the approaching presidential election, the Fifth Working Party meeting was postponed until May 2014. No specific date has been set yet in May 2014.

2. Legislative Reforms for WTO Conformity

Afghanistan must bring a number of trade-related laws to international standards to join the WTO. Although concessions are made for least-developed countries such as Afghanistan, WTO members expect full compliance before accession in major legal areas related to trade policy. ATAR is working with GIROA to reform and implement these laws – a lengthy, complex process outlined in the below chart.[1]



[1] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

The table below provides the status of WTO-related legislative actions at the end of March. ATAR's active areas of support during this reporting period are highlighted in light blue in the table. During this quarter, the following were major achievements:

1. The Draft Law on Trademarks was approved by the Council of Ministers and submitted to the Parliament.
2. The Draft Law on Plant Protection and Quarantine was submitted by the Ministry of Justice to the Council of Ministers.
3. The Draft Law on Geographical Indications was submitted by the Ministry of Justice to the Council of Ministers.
4. The Draft Law on Customs was submitted by the Ministry of Justice to the Council of Ministers.
5. The Draft Law on Supporting the Rights of Inventors and Discoverers was submitted by the Ministry of Justice to the Council of Ministers.
6. The Draft Law on Animal Health and Veterinary Public Health was submitted by MAIL to MOJ.
7. The Procedure Customs Control of Intellectual Property Rights (IPR) (Intellectual Property Border Enforcement) submitted to the Minister of Finance for signing

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community as of end of March 2014

No.	Legislation	Responsible Authority	Status
1.	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD)	During the reporting period, the Executive Board[2] agreed on all remaining draft articles of the Customs Law except one. The remaining article and two issues are not a matter of WTO concern or consistency. For this reason, these matters can be resolved at the level of Council of Ministers. ATAR held daily meetings with all levels of MOJ to urge the submission of the Customs Law to the Council of Ministers before March 20. On March 19, the draft Amendments to the Customs Law was successfully submitted to the Council of Ministers.
2.[3]	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
3.	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
4.	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA)	ATAR received initial comments and suggested revisions to the draft from the ANSA Management Board. ATAR reviewed the comments and suggested revisions. ATAR expects the Management Board will complete its review during next quarter. To date, the Management Board has reviewed and approved 22 of 32 articles.

5.	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation, and Livestock (MAIL)	ATAR assisted MOJ in its final approval of the draft law. MOJ submitted the draft to the Council of Ministers on January 6. ATAR assisted MOCI in preparing a letter to MOJ, Council of Ministers, and National Assembly to introduce a few changes to ensure compliance with WTO.
6.	Law on Animal Health and Veterinary Public Health	MAIL	During the first half of February, a milestone was achieved: MAIL submitted the draft law to MOJ. In addition, MAIL sent a letter to MOJ requesting the law be included in MOJ's 1393 legislative plan. In the second half of February, ATAR worked with MAIL's legal department on introducing an amendment to the draft. ATAR followed up with MOJ's relevant legal department to inform the department and take steps to begin the MOJ review of the draft law. Following concerns raised by MAIL, the draft was retracted for further modification before re-submission to MOJ. During the month of March, based on the instruction of the Minister of MAIL, the draft law was reviewed once more by the Legal Forum Working Group (LFWG). ATAR assisted in two Working Group meetings to share the draft with relevant experts and explain the need for certain provisions to ensure compliance with WTO and OIE standards. The draft will shortly be presented to the Minister for approval and re-submission to MOJ.
7.	Law on Food Safety	Ministry of Public Health (MOPH)	MOPH agreed to proceed with the version reviewed by WTO. The MOJ Taqneen Department has launched technical review with the assistance of ATAR.
8.	Procedure Customs Control of Intellectual Property Rights (IPR) (Intellectual Property Border Enforcement)	ACD	During the reporting period, the IPR procedure moved to the Ministry of Finance (MOF) for final approval and adoption by the Minister of Finance. In March, The MOF agreed to the draft without substantive changes. Upon return of the draft to ACD, however, one additional amendment was requested. After review of TRIPS compliance of the proposed amendment, the amendment was agreed. The approved draft is now anticipated to be signed by the Minister shortly.
9.	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI	During this reporting period, ATAR held a series of meetings with the MOJ to resolve the 20 percent or so remaining questions and issues. In March, the majority of these issues were resolved in compliance with TRIPS. In a significant development, the law was successfully submitted to the Council of Ministers on March 19. MOJ noted in its submission letter to the Council of Ministers that ATAR experts may be available to participate in clarifying any issues in the draft law.
10.	Amendments to the Law on Trade Marks of 1 September 2009	MOCI	In a significant development, the Legal Committee of the Council of Ministers approved the draft law without substantive changes in the first half of February. In the second half of

[2] The MOJ Executive Board is the last step before submission of the draft to the Council of Ministers
[3] Procedures do not require Council of Ministers or Parliament approval and need only be approved by the Minister. Regulations require MOJ review followed by adoption by the Council of Ministers.

			March, the law was then submitted to General Council of Ministers, chaired by President Karzai. In a highly significant move, President Karzai approved the trademarks law, which shall now be shortly submitted to parliament for approval. The law is concurrently being translated in Pashto.
11.	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC)	During the reporting period, ATAR held several meetings with Mr. Sadar, Head of Economy and commercial department of MOJ and Senior Legal Adviser, Mr. Nazeer Zoy from the Ministry of Information and Culture (MoIC) to address certain provisions of the draft law to make sure the draft is in accordance with the requirements of WTO. The draft is awaiting final review by the MOJ Executive Board, which has not occurred yet due to the heavy workload of MOJ. ATAR met with Head of Legislative Executive Board Dr. Herawi and urge to resume work on the draft. ATAR also met with the Senior Legal Adviser of MOIC to urgent LOIC to encourage MOJ to finalize its review. ATAR continues to work with both ministries to encourage submission to the Council of Ministers as soon as possible.
12.	Law on Geographical Indications	MOCI	The relevant MOJ legislative department completed its review. In a significant development, the MOJ approved and submitted the draft law to the Council of Ministers in February.
13.	Law on Industrial Designs	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
14.	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI	MOJ forwarded the draft to the Supreme Court of Afghanistan for its opinion.
15.	Law on Trade Secrets (undisclosed information)	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
16.	Law on Topography of Integrated Circuits	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
17.	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	The relevant MOJ legislative department completed its review, and the draft law is awaiting submission to the MOJ Executive Board.
18.	Law on Plant Variety Protection	MAIL	ATAR began arranging meetings with the MAIL Deputy Minister to ensure that the law is formally submitted to MOJ for inclusion in the 1393 legislative agenda. In Tandem, ATAR received the comments of Stakeholders of MAIL and has assisted in reviewing the comments and ensure WTO-compatibility.
19.	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ	The MOJ formally agreed to include the Publication Law into the 1393 legislative agenda. The WTO-consistent amendments, particularly with regard to transparency of trade-related laws and sufficient time-lapse between publication and enforcement to allow traders and interested parties to adapt to new laws appear to have been accepted by MOJ. Hence, the law may be prepared for submission to the Council of Ministers shortly.
20.	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ	The draft is at MOJ under review by the relevant legislative department. Throughout March, ATAR has been working with MOJ Legal Advisor Dr. Herawi to ensure that the draft Regulation is officially added to the legislative agenda of 1393.

21.	Law on Foreign Trade in Goods	MOCI	The draft is at MOJ under review by the relevant legislative department.
22.	Regulations on Import and Export Licensing	MOCI	The draft is finalized at MOCI and ready for submission to MOJ.
23.	Procedure on Customs Storage Fees	ACD	ACD finalized the draft, which is ready for submission to the Minister of Finance for signature. Throughout the reporting period, ATAR followed up with ACD on the need to adopt this procedure as soon as possible before the next Working Party meeting.
24.	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	In the first half of February, ATAR continued efforts to seek MOPH approval to amend and remove certain discriminatory and WTO-inconsistent taxes and fees under the current regulation. ATAR was invited to an MOPH working group to discuss the amendments and explain why they are required. Thereafter, ATAR held a meeting with the head of the pharmacy department to urge speedy approval of the required amendments. ATAR was invited to participate in weekly working groups at MOPH. In the second half of February, the working group raised concerns on proposed reforms concerning loss in revenue from license and permit fees. In March, ATAR met Dr. Abdul Khalil Khakzad, Acting Pharmacy Department to discuss the concerns and held follow up meetings with Dr. Abdul Khalil Khakzad. While the MOPH has still not approved the amendments, progress has been made towards reaching an agreement to meet WTO requirements.
25.	Value Added Tax	MOF	The draft is in Parliament.
26.	Income Tax Law (concerning unequal treatment of import tax)	MOF	The draft is at MOF. ATAR met with the Afghanistan Revenue Department (ARD) Director General and ACD Director General in the first part of January to discuss the draft. ARD indicated the draft was finalized and submitted to MOJ in the latter half of January. MOJ has not yet confirmed the receipt of this draft.
27.	Law on Minerals	Ministry of Mines and Petroleum (MOM)	The draft is in Parliament. In the second half of February, ATAR met with USAID's Mining Investment and Development for Afghanistan Stability (MIDAS) project to discuss the draft law. The draft is under review by the Lower House and has not reached the Upper House. ATAR provided MIDAS with input on possible WTO implications of certain provisions of the draft law. In the second half of March, ATAR continued to follow up with the MIDAS project and update on potential implications of so-called "local content requirements" based on the latest developments in Afghanistan´s ´s WTO accession process. In particular, issues discussed included the potential for a phasing out period of local content requirements in the draft law to bring provisions into compliance with WTO.
28.	Law on Safeguards Measures for Domestic Protection	MOCI	The draft is awaiting review by the relevant MOJ legislative department.

MOJ partnership and MOJ legislative action plan

During January, ATAR completed the set-up of a permanent office at MOJ to provide constant on-site assistance to the ministry on ongoing WTO legislation. The office has a capacity of six staff, and ATAR has embedded experts on a daily basis to provide consistent and rapid turnaround to MOJ queries and comments on draft legislation.

ATAR continued throughout the quarter to meet with all line ministries sponsoring or responsible for WTO-related laws, such as MOCI, MAIL, MOPH and others to ensure that they requested the MOJ to include all WTO-related draft laws within their authority in the MOJ's 1393 Legislative Action Plan.

ATAR's efforts were in response to MOJ's annual letter in January to ministries and government agencies requesting them to indicate in writing their priority legislative items to be added to the MOJ legislative agenda for 1393. In tandem, ATAR has since February been working with all levels of MOJ to ensure that not only are the requests from line ministries to include WTO legislation received, but that they are in fact ultimately accepted by MOJ in the 1393 legislative agenda and that active progress is made on all WTO-required legislation during this year.[4]

During the quarter, ATAR also met with the MOJ Executive Board Members to ensure that ministries are submitting the correct WTO-related laws in their request. On Feb. 19, ATAR attended a working lunch and meeting with MOJ's Executive Board, key advisors, and legal staff to follow up on items discussed at presentation given by USAID and ATAR on Feb. 17, discuss the 1393 agenda, and promote a dialogue with the Executive Board.

In March, in agreement with MOJ, ATAR drafted an MOU between ATAR and MOJ outlining the mutual roles and methods of cooperation between the parties to ensure consistent progress towards completing review of outstanding WTO-related laws. The draft has been translated into Dari and is under consideration of the MOJ for mutual signature.

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Food safety law

Throughout the quarter, ATAR worked closely with officials in MOPH and its stakeholders to increase capacity for and understanding of activities necessary to support implementation of the draft Food Law. These efforts consisted of several coordinated initiatives. During January, ATAR prepared and translated into Dari the first nine of 15 models that MOPH can use as the basis for future regulations and/or ministerial procedures that supplement the future Food Law. These models were developed based upon Codex Alimentarius Commission recommendations and/or procedures in place in developed countries. Afghanistan committed to have implementing legislation adopted by the end of 2014.

[4] It is noted that while in general WTO membership is a "package" of Agreements that must all be accepted, there are a small number of "plurilateral Agreements" which are not mandatory for WTO Membership. In the work plan, the clearest example is the WTO Agreement on Safeguards (upon which Afghanistan´s draft Safeguards Law is based), which allows WTO Members, in limited circumstances, to apply emergency protective measures against import surges of specific products.

In early February, ATAR met with MOPH to plan for six seminars explaining Codex Alimentarius guidelines and procedures that are the basis for many of the proposed documents. These seminars provide an opportunity to explain the role of the Codex Alimentarius Commission and how the adoption of Codex recommendations will help to insure the safety of imported food products and demonstrate the ability of Afghan food exports to meet international expectations. These meetings also sought agreement to establish a food regulations working group that will draft the needed regulations and procedures. The working group is composed of representatives from the relevant offices in MOPH, MAIL, MOCI, ANSA, MOJ, the private sector, and food experts from Kabul University. ATAR provides logistical and technical support for the activities of the working group. At MOPH's request, ATAR prepared an agreement between ATAR and MOPH regarding the planned activities and submitted it to MOPH for their review.

Meetings of the working group began in March. At the initial meeting, the MOPH Deputy Minister presented opening remarks to the 15 members and asked their support in developing the needed regulations and/or ministerial procedures. Following discussions at this meeting, participation in the working group was expanded to include all the members of the food committee of the National Medicine and Food Board at MOPH. The food committee is tasked with developing separate requirements to support the establishment of the future Food Control Authority. The working group met five times during the month. ATAR conducted three roundtables explaining the models for obtaining a food business identification number, enforcement measures for violations of the food law, and risked-based imported food controls. With ATAR's support, the working group completed its review, incorporated recommended modifications, and endorsed the first two documents.

Also during March, ATAR presented two seminars on Codex recommendations for MOPH staff and stakeholders that will be affected by the Food Law. The first seminar explained the principles for establishing a food import control system based upon the risks associated with specific foods. The second explained the process for determining the equivalence of food safety systems and/or sanitary measures. Equivalence is the state wherein sanitary measures applied in an exporting country, though different from the measures applied in an importing country, achieve the importing country's appropriate level of sanitary protection.



ATAR participated in and helped to organize the initial meeting of the food regulations working group at the Ministry of Public Health.

Plant protection and quarantine law

In support of the law on plant protection and quarantine, ATAR began in early February reviewing the existing and draft regulations on plant quarantine services and identified provisions that are incomplete or inconsistent with International Plant Protection Convention (IPPC) standards.

In the first half of February, ATAR began working with MAIL to replace sections of the regulation with language that reflects IPPC standards. ATAR determined about 50 percent of the draft needs significant changes based on inconsistencies with international standards. ATAR met several times with MAIL's Plant Protection and Quarantine Directorate (PPQD) to explain the necessity of the changes.



ATAR conducted three seminars on phytosanitary measures for staff of the Ministry of Agriculture, Irrigation and Livestock.

In the latter half of February, ATAR held meetings with the PPQD director and his technical team to bring about the proposed changes. ATAR also delivered three seminars covering different International Standards for Phytosanitary Measures (ISPMs) relevant to MAIL's draft plant protection and quarantine law to PPQD's top management and technical team.

ATAR assisted in conducting a roundtable on March 1 with respect to proposed changes to the Plant Protection and Quarantine Regulation. Among the attendees were the Director of the PPQD and his technical team. Separately, ATAR conducted a meeting with the Director and the technical team of PPQD on March 25 to review the changes that has been discussed in the March 1 roundtable.

Animal health and veterinary public health law

ATAR finalized draft regulations and nine draft procedures on the law on animal health and veterinary public health for consideration by MAIL's Animal Health Department (AHD). ATAR will present these model regulations and procedures to MAIL in the first half of 2014, most probably starting in May and facilitate the formation of a working group for effective and proper implementation of the law on animal health and veterinary public health. At this stage, ATAR is assisting MAIL in implementation aspects most relevant to WTO and trade in live animals and animal products.

In the first half of March, ATAR held preparatory meetings with the AHD to organize workshops and working group sessions with respect to the Veterinary Control of Import and Export Regulations and related procedures. ATAR coordinated in this respect with Ms. Tania Dennison, project manager at the Animal Health Development Program (AHDP). In the second half of March, ATAR completed a two-day workshop and one-day roundtable on veterinary aspects of the WTO Sanitary and Phytosanitary

Agreement and relevant standards to the proposed regulations/procedures. The workshop was held March 17-19, followed by a roundtable held on March 23. Key topics covered include:

- The SPS Agreement, in particular with respect to processes regulating the import and export of animals or animal products;
- The meaning of "equivalence": Compliance with sanitary requirements for Afghan exports on the one hand; and Afghanistan setting up its own requirements which exporting countries need to comply with in order to import into Afghanistan;
- How to negotiate an "equivalence agreement";
- The meaning of "appropriate level of protection" for animal health and food safety of animal products;
- Overview of the content of the draft Veterinary Control of Import and Export Regulation;
- Discussion on what issues need to be covered by regulation and related procedures needed to implement the regulation.

During these events, the first round of internal discussions on the draft Veterinary control of Import and Export regulation as well as the first 4 (of 11) procedures related to the implementation of the Regulation within the Animal Health Department (AHD) have been completed. Training materials were distributed to the participants in hardcopy and on DVD. The Animal Health Department (AHD) was strongly motivated to appoint their technical experts so that their opinion and experience could be reflected in the regulation.



Law on copyrights and related rights

In February, ATAR completed materials to train judges and lawyers on the implementation of copyrights. ATAR prepared an article on copyrights protection in Afghanistan; a pamphlet on the implementation of the copyright law in Afghanistan; copyrights awareness materials in the field of music; and copyrights awareness for publishing.

In March, ATAR began preparation for a two-day training on intellectual property rights for judges and lawyers to be delivered at MOIC on April 13-14 and for a second one-day training at MOIC on April 15. The second training will focus on more advanced copyright topics. In addition, ATAR began drafting a memorandum elaborating a coordination process for MOIC to establish and formalize cooperation between copyright enforcement bodies, including customs, police, and prosecutors.

In the second half of March, ATAR met with the new Copyright Office staff at MOIC, and ATAR held a presentation for them on copyright awareness. This is a step in the process of training the MOIC Copyright Office staff as well as outlining how the Copyright Office can conduct copyright awareness events. On March 31, ATAR conducted the first part of a round-table with the Copyright Office staff on the copyright registration process outlined in the newly-approved MOIC Copyright Registration Procedure. ATAR also continued to advance the efforts to urge Afghanistan to join the Berne Copyright Convention, including by working with Copyright Office staff and the MOIC legal advisor to establish a formal committee that will pursue this goal.



Customs law

ATAR nearly completed translation of the training manual to build the technical capacity of potential ACD customs valuation trainers. ATAR continued efforts to coordinate with ACD to select trainees for this 22-session program. Eight people from the ACD Valuation Department and Afghan National Customs Academy (ANCA) were selected by ACD to participate in a five-day training program. Training started to be conducted in the second half of March, but it was suspended after two days had been delivered, due to mobility restrictions of staff. ATAR has agreed with ACD to resume as soon as possible within April.

4. Capacity and Sustainability of the Afghan National Standards Authority

During the quarter, ATAR provided guidance and planning assistance to further the development of ANSA. ATAR met with ANSA senior management and discussed further development of ANSA including main goals such as:

- Establishment of the first certification unit in Afghanistan at ANSA.
- Establishment of the ANSA standards training center.
- Establishment of an equivalence mechanism for technical regulations and conformity assessment.
- Development of a coordination mechanism with other relevant ministries/state bodies on technical barriers to trade enquiry and notification points.
- Review and development of a financial sustainability plan for revenue generation for ANSA.

ANSA management recommended the certification system begin in one sector and expand to other sectors, such as carpet, marble, stone, agriculture products, gemstones, and minerals, to help exports and manufacturing of these products in Afghanistan.

ATAR also worked with ANSA on establishing an implementation committee for a conformity assessment department, standards development department, information and training center department, human resources department and planning and policy department. The purpose of the committee is to implement activities for further development of ANSA.

During the quarter, ATAR supported ANSA in acquiring standards of the International Organization for Standardization (ISO) and British Standards Institute (BSI) to adopt as national standards. ATAR received 31 important conformity assessment and management system standards from the ISO and delivered the standards to ANSA for their further processes of adoption as national standards for Afghanistan.

ATAR also completed the first review with ANSA's standards development director of the "Code of Good Practice for the Preparation, Adoption and Application of Technical Standards" to comply with WTO requirements. In March, ANSA submitted the code to the ANSA Management Board for the final review.

ANSA offered an office for the ATAR standards team, and ATAR's security team is evaluating embedding project staff at ANSA to facilitate technical support.

In the second half of March, ATAR assisted ANSA in drafting a roadmap, including an action plan for mid-term and long term development of certification activities in the country. The action plan continues to be updated to meet ANSA's specific needs. In addition, ATAR worked with the ANSA conformity assessment department on developing a draft organization chart as part of the conformity assessment documentation, based on ISO 17065 required to establish a certification unit at ANSA, and held two roundtable discussions with ANSA officials on how the unit should be organized and staffed

During the reporting period, ATAR worked with the ANSA standards department on adopting conformity assessment standards including ISO 17065 and other standards related to certification of a product and management system. The adoption process is ongoing according to ANSA procedures.

ATAR also worked with ANSA on conducting a training on March 26 for ANSA staff on establishing national mirror committees under International Organization for Standardization (ISO).

ATAR supported ANSA in participating in the South Asian Regional Standards Organization (SARSO) meetings Governing Board (GB) and Technical Management Board (TMB) meetings held in Dhaka, Bangladesh on March 31 – April 3, 2014. In addition, ATAR worked with ANSA officials to analyze the existing MOU between ANSA and the Bureau of Indian Standards (BIS) for terms related to collaboration in certification and training.

5. Building Capacity and Sustainability of MOCI's WTO Unit for Post-Accession

ATAR continued to provide on-the-job training and technical assistance to the WTO unit at MOCI in supporting sustainability and capacity of the unit toward concluding WTO negotiations.

In addition, ATAR launched discussions to build initial capacity in understanding the new WTO Agreement on Trade Facilitation. The agreement, reached at the Bali Ministerial Conference in December 2013, contains provisions for faster, more efficient customs procedures through cooperation between customs and other authorities on trade facilitation and customs compliance issues. In March, ATAR assisted in drafting a compliance assessment of Afghanistan´s current trade regime with the new WTO Agreement. In tandem, ATAR assisted MOCI in preparing a technical assistance document to better understand specific aspects of the Agreement. ATAR also assisted in conducting research on trade facilitation (based among others on other WTO Members' practices and experiences) to further enhance Afghanistan´s ability to improve its trade facilitation environment. MOCI's WTO unit staff participated in many of the capacity building events at the TPAU. See next section.

6. Building Analytical Capacity

Trade Policy Analysis Unit

Throughout this quarter, ATAR continued training MOCI's Trade Policy Analysis Unit (TPAU) to build their capacity and support sustainability. MOCI's WTO unit staff participated in many of these events. ATAR held four trainings in the first half of January. ATAR provided the first training with TPAU and WTO unit staff on "challenges and opportunities to Afghanistan's integration into the regional and multilateral trading system." ATAR delivered a second training to MOCI's TPAU and WTO unit staff on trade policy instruments, such as tariffs, subsidies, and quotas, and trade research tools and included a discussion on the future establishment of the safeguards unit in MOCI. ATAR conducted a third training

at TPAU, with other senior MOCI participants, on research of domestic prices of vegetables. Finally, ATAR provided a fourth training to the TPAU on the collection of trade data for analysis.

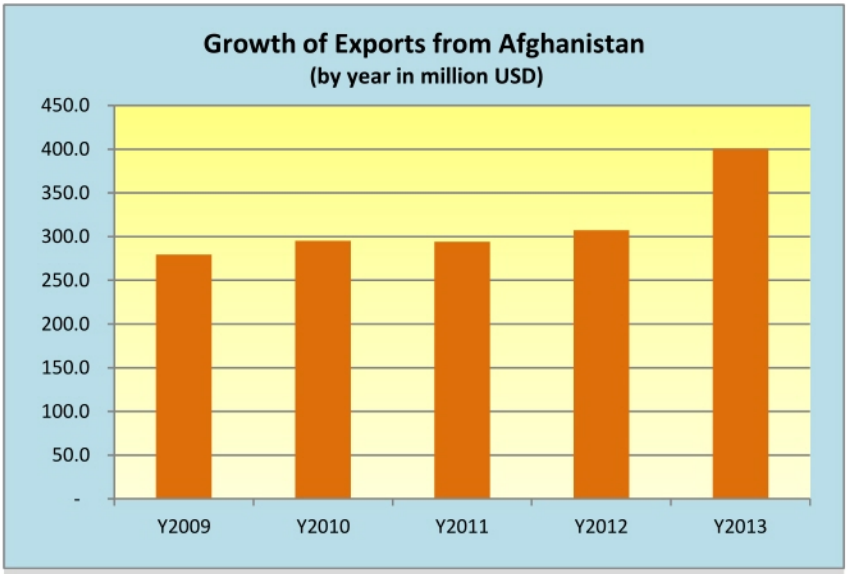
In the second half of January, ATAR conducted a series of trainings benefiting TPAU staff on challenges and opportunities to Afghanistan's integration into the regional and multilateral trading system; trade policy instruments, such as tariffs, subsidies, and quotas; and the application of key economic concepts and methodologies related to trade and statistics.

The training included factors in determining goods that are to be considered "sensitive goods" in terms of tariff policy and regional trade negotiations. Such factors include whether or not there is an existing domestic industry in Afghanistan in need of protection, or the possibility of infant, or nascent, industries developing if some level of tariff protection is provided. The training also included an analysis of regional and global trade statistics to determine in which goods Afghanistan has - or can develop - a competitive advantage. The aim was to equip staff, in particular the TPAU, with appropriate skills to enable government employees to take initiatives on trade and economic analysis and negotiations. In the second half of January, ATAR guided TPAU staff in developing country profiles of Afghanistan's trade partners to determine relative competitiveness.

In the first half of February, ATAR conducted a roundtable regarding the elimination of tariff items from Afghanistan's sensitive list as a step under the South Asia Free Trade Area (SAFTA) agreement. The roundtable covered the proposed reduction of about 70 tariff lines from Afghanistan's sensitive list, and participants discussed the reductions at another next roundtable meeting in March. Participants came from MAIL, ACD, MOM, Da Afghanistan Bank (DAB), EPAA, AISA, and ACCI.

In early February, ATAR gave seminars for TPAU staff and Kabul University students on trade policy tools, including case studies to estimate the impact of SAFTA on trade, revenue, balance of payments, and consumer welfare.

ATAR also began trainings for TPAU staff to further develop economic models to analyze the impact of trade liberalization. Throughout February, ATAR continued to provide training on the collection of economic indicators and import/export data broken down by commodities and by countries for an annual trade policy review to be published by MOCI with ATAR support. Based on ACD data, exports from Afghanistan increased by 40 percent in 2013 over 2012 as a result of economic growth and trade liberalization. The value of Afghanistan's total imports



ACD data showed that Afghanistan's exports rose 40 percent in 2013 as a result of economic growth and trade liberalization.

remained essentially unchanged.

In the latter half of February, ATAR supported the TPAU in preparing about 30 tables and charts as a part of the trainings. ATAR assisted MOCI in preparation of the list of export interest items of Afghanistan to Pakistan and Sri Lanka for duty-free access. MOCI will send a total of 12 items for Pakistan and 46 items for Sri Lanka to the SAARC Secretariat.

ATAR also assisted the TPAU in analyzing Pakistan's revised sensitive list and identified 19 tariff items excluded from the list and about 50 items excluded from Sri Lanka's sensitive list. ATAR will inform Afghan traders regarding benefits from zero duties from these countries and opportunities for Afghan traders in the new market of Sri Lanka.

During March, ATAR provided trainings to TPAU on development of analytical skills and on preparation of the annual review on external trade, tariff and trade policy. The first draft of analysis was prepared with the participation of the TPAU as an MOCI internal document (bulletin) to be used as a basis for analysis of trade policy. The draft is combining the analysis of trade for the last five years, identifying the trends in import/export of goods in total and by countries, as well as transit of goods via sea ports and neighboring countries. The draft will be extended with other sections to be used as the tools of TPAU, including tariff summary on agricultural and other goods, impacts of trade agreements, profiles of main trading countries, sectors of the economy to be developed, and production and consumption of sensitive domestic goods. ATAR will continue providing training to introduce and develop skills of the TPAU in application of economic models and regression analysis for prediction of trade, revenue, balance of payment, and consumer and producer welfare. ATAR advised the TPAU on further staffing needs to bring the unit to the appropriate level of capacity toward building technical sustainability.

ACD Valuation Department/Customs valuation

Throughout February and March, ATAR assisted ACD in identifying and addressing improper or incomplete implementation of the Tariff and Valuation Management Tool (TARVAL) database. TARVAL is a customs valuation database established under USAID's Trade Accession and Facilitation for Afghanistan (TAFA) projects to generate compatible information for ASYCUDA with more security, transparent and auditable processes, and stored historical data.

ATAR began to make amendments in TARVAL to bring it in line with the Automated System for Customs Data (ASYCUDA) World, the latest ASYCUDA version. TARVAL's data exchange mechanism has been re-engineered and tested successfully, and raw data can be restructured automatically as needed for upload into ASYCUDA World. Other functionalities of TARVAL have been improved and brought in line with ASYCUDA World. Further monitoring and data analysis features have been added. The system is ready for installation and testing at the ACD valuation department as soon as connectivity to ASYCUDA operational server will be provided.

In addition, ATAR assisted ACD in drafting a new standard operating procedure regarding the implementation of the ASYCUDA valuation module and provided ACD with a proposal addressing proper implementation of certain tariff policy measures already in force, related to vehicles of chapter 8703 of HS, and enables ACD valuation department with much more flexibility regarding the management of related valuation data.

In the second half of March, at the request of the ACD Valuation Department, ATAR gave a presentation to DG Customs on the role of TARVAL and the related issues regarding the integration of actual

valuation data with ASYCUDA World. DG Customs has shown a great interest on the matter and has asked for another session where further clarifications would be given by ATAR.

ATAR also continued providing guidance and support to the ACD Valuation Department in mapping the valuation database to the new structure for use under ASYCDA World. With ATAR support, about 11,000 records out of 20,000 records in the valuation database have been formatted, mapped, and loaded to ASYCUDA World, testing servers. Due to certain issues that emerged in relation to the accuracy of the content of the data, the ACD Valuation Department has started, under ATAR guidance, revising and cleaning the reformatted data and transferring them to the operational server, where 4,200 records have already been transferred thus far. ATAR will continue to guide and assist ACD Valuation Department until the available data, at the maximum possible extent, will be transfer to the operational ASYCUDA World servers.

Reducing discrepancy in trade statistics

ATAR met with the Central Statistics Office to resume discussions to increase cooperation between ACD and CSO on trade statistics in an effort to further reduce discrepancy in trade statistics.

In March, ATAR communicated with ACD to form a plan to assist ACD with collection of annual (solar calendar) data and organize meeting with CSO to exchange information of trade and revenue to achieve discrepancy between two sources of lower than 20 percent.

7. Building Nationwide WTO Awareness

WTO presentation to MOJ

ATAR assisted in a USAID-led event on Feb. 17 to present an overview of the WTO, its importance for Afghanistan, and the benefits of WTO accession, including access to the WTO Dispute Settlement Body and data comparing economic performance of developing countries pre-and post-accession. Nearly 50 key MOJ legal and Executive Board staff attended the event. The event was well received by MOJ. During the next quarter, ATAR intends to have similar events in other ministries as a refresher to previous awareness events held under TAFA before.

COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

Central Asia communications plan and introduction

1. Afghanistan

Gulfood

ATAR collaborated with USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project and USAID's Commercial Horticulture and Agriculture Marketing Program (CHAMP) to support Afghan agri-businesses in signing more than $8 million in deals at Gulfood 2014 in Dubai.

Twenty-one Afghan traders, almost half of whom were businesswomen, participated in the exhibition, which was held from Feb. 23-27. ATAR invited seven of the companies, one of which was women-owned, and supported the businesspeople in negotiating deals with international buyers and leading trips to local markets to help the traders understand international requirements.

By the end of the event, ATAR-supported traders signed more than $1.9 million in deals for the export of saffron and juice. The ATAR-supported traders also had possible deals worth $8.2 million that they were pursuing for dried fruit and nuts, saffron, and juice. ATAR will track these possible deals at regular intervals over the next six months and guide these traders to resources to help them export products.

In preparation for the event, the three projects rented a booth at Gulfood, contracted a company to construct the booth, prepared a memorandum of understanding between the projects and traders, and held an orientation session in Kabul to brief the traders prior to the event. ATAR prepared press releases before and after the event, created invitations, printed an Afghanistan trader and produce booklet, and designed the Afghanistan booth on behalf of the three projects.

In total, the traders supported by the three projects signed more than $8 million worth of contracts to export agricultural items, including figs, pine nuts, dried apricots, walnuts, almonds, juice, and saffron, to buyers from Saudi Arabia, the United Arab Emirates, Spain, Malaysia, China, Turkey, India, Bahrain, and the United States. Traders supported by TAFA, CHAMP, and FAIDA had signed more than $2.3 million during Gulfood 2013. Gulfood is the world's biggest annual food exhibition and attracted 4,500 exhibitors and tens of thousands of buyers and visitors this year.

TOTAL SIGNED CONTRACTS FOR ATAR-SUPPORTED TRADERS

Company	Item	liters/kg	Price	Total Price	Buyer's Country
Omaid Bahar Fruits Processing Facility Ltd.	Juice	1,200,000 liters	$1 (approximate)	$1,500,000	United Arab Emirates
Afghanistan Saffron Co.	Saffron	50 kg	$1,800	$90,000	Spain
Benazir Saffron	Saffron	0.50 kg	$1,800	$900	Saudi Arabia
		0.50 kg	$1,800	$900	United States
		0.60 kg	$2,200	$1,320	United States
		180 kg	$1,850	$333,000	India
GRAND TOTAL				**$1,926,120**	

SAARC and SAFTA meetings

In January, ATAR held three meetings with MOCI to assist in preparing the ministry for the South Asian Association of Regional Cooperation (SAARC) meeting held on January 16-17 in New Delhi, India.

ATAR assisted in drafting talking points for the Deputy Minister of Commerce and Industries and the Afghan delegation for the SAARC meeting. ATAR also began assisting in the preparation of technical documentation – focused on rules of origin and sensitive lists of goods and services – for the SAARC meeting to be held in Kathmandu, Nepal, in February.

In early March, ATAR also assisted in preparing documents for MOCI's chief of staff office for the eighth meeting of the South Asia Free Trade Area (SAFTA) Ministerial Council in Thimphu, Bhutan, on July 24. The meeting will be preceded by the ninth meeting of the SAFTA Committee of Experts on July 22-23.

Draft Azerbaijan-Afghanistan agreement on trade and transit

At the request of MOCI, ATAR assisted in January in preparing a draft bilateral agreement on trade and transit with Azerbaijan. Azerbaijan is situated on one of the most viable transit routes linking Afghanistan with Europe and the Mediterranean basin.

CBTA/Corridor 5

After ATAR's extensive efforts throughout the quarter, the Ministry of Foreign Affairs (MOFA) submitted the Cross Border Transport of Persons, Vehicles, and Goods Agreement (CBTA)/Corridor 5 agreement and accession protocol to the Council of Ministers on Feb. 24 through an official letter.

The package contained 62 pages, including the agreement and the accession protocol. ATAR will track the status of CBTA 5 at the Council of Ministers to ensure it is approved as soon as possible. The Council of Ministers will have to approve the package and then further submit it to the National Assembly for ratification.

In December 2013, Afghanistan had re-signed the Protocol of Accession of Afghanistan (POAA) to the CBTA. Afghanistan had signed the agreement in late 2011, but there had been discrepancies between the English and Russian versions and minor changes that required all three contracting parties (Afghanistan, the Kyrgyz Republic, and Tajikistan) to sign a new document. Afghanistan, however, returned to the Kyrgyz Republic a copy of the signed protocol instead of the original. The original must be kept with the MOFA of the Kyrgyz Republic, since it is designated as the repository of the agreement. In addition, the original needs to be returned to the Kyrgyz Republic for the ratification process to be launched in all three countries. Afghanistan will send the POAA with original signatures to the Kyrgyz Republic once approved the POAA is approved by the CM.

The CBTA aims to facilitate movement of goods, vehicles, and people along Corridor 5 of Central Asian Regional Economic Cooperation (CAREC) program, which promotes cooperation and development in Central Asia. The agreement will automatically eliminate a number of barriers, including transshipment for movement of trucks across borders.

EPAA

ATAR worked with the Export Promotion Agency of Afghanistan (EPAA) in January to complete the first draft of its export promotion plan for 2014 and began activities to enable the organization to better support Afghan exporters. Among other items, the Export Promotion Plan included commercial trips to Central Asia, South Asia, and Europe that ATAR will support. It also includes training (for trainers and exporters) in export logistics, export management and market research that ATAR will provide in the coming months. During this reporting period, ATAR prepared the materials for first four weeks of full-day training (some 1000 slides).

ATAR supported an EPAA delegation for a visit to plan for Expo Milano 2015, which is expected to attract 20 million visitors over a six-month period from May 31 through Oct. 31, 2015. With ATAR support, EPAA attended the event's organizational conference to become familiar with the event's organization and features. ATAR's support during this period consisted of:

- Identification, interviewing, and securing budgets from different prospect providers.
- Preparation of a detailed budget for the pavilion of Afghanistan and its running costs ($2.26M).
- Help to identify and secure aid and support programs from organizer and other sources, covering, so far, $800k and reducing the initial budget for an additional $900,000.

With this support, ATAR is helping make Afghanistan's presence possible in the event, which centers around the theme "Feeding the Planet. Energy for Life." ATAR is helping reduce budget needs, secure sources of finance, and establish an appealing pavilion. Out of an estimated budget of $2.26 million, ATAR has helped EPAA cover $750,000 by application to the exposition and for assistance for developing countries; encouraged EPAA to eliminate about $900,000 that would have been spent on a catering firm; and continued assisting EPAA in finding financing for a remaining $500,000.



Najlla Habibyar, the chief executive officer of the Export Promotion Agency of Afghanistan, examines a model of the Afghanistan pavilion for Export Milano 2015.

Throughout the first half of March, EPAA and ATAR continued supporting EPAA in developing a cost-competitiveness analysis for six Afghan products, including fresh and dried fruit and spices, for selected countries in Central Asia and abroad. ATAR/EPAA completed already the study for Almonds.

Afghan, Uzbek and Kazakh business-to-business session

ATAR participated in the Afghan, Uzbek, and Kazak Business Matchmaking Conference on Feb. 24-25 in Mazar-i Sharif to strengthen relationships between the countries' traders and forge business deals.

More than 20 Uzbek companies and associations, more than 15 Kazakh companies and associations, and more than 100 Afghan businesses participated in business-to-business meetings. The event organizers included USAID's Regional Economic Cooperation (REC) project, the Balkh Chamber of Industry and Commerce, the Embassy of the Republic of Kazakhstan to Afghanistan, the National Chamber of Entrepreneurs of Kazakhstan, and the Agro Information Innovation Center of Uzbekistan.

Preparation for CABOC meeting

In January, ATAR began coordinating with USAID to develop a strategy to support Afghanistan's participation in the Central Asia Business Opportunity Conference (CABOC) to be held in Islamabad, Pakistan, in mid-April.

ATAR supported the Kabul Chamber of Commerce and Industries (KCCI) in holding a consultative meeting with Afghan representatives of the fruit and vegetable sectors on Feb. 22 at KCCI to inform attendees of the CABOC event, identify possible participants for CABOC, and identify their challenges in exporting and importing. Nine businesses from the fruit and vegetable sector and USAID's CHAMP attended the event.

ATAR compiled a list of around 20 issues raised by businesses, including uncertainty regarding Afghanistan's political situation; municipal taxes and fees on fruits and vegetables; corruption at government agencies; lack of implementation of law; informal fees and taxes on highways; difficulty in obtaining visas to India and Pakistan; and lack of knowledge about markets. ATAR will follow up to validate these issues and prepare appropriate recommendations.



ATAR worked with the Kabul Chamber of Commerce and Industries to discuss challenges faced by Afghan fruit and vegetable traders.

ATAR supported KCCI in holding a consultative meeting with Afghan representatives of the carpet, handicraft, marble, and gemstone sectors on March 3 at KCCI to inform attendees of the CABOC event, identify possible participants for CABOC, and clarify their challenges in exporting and importing. Thirty businesses from the carpet, handicraft, marble, and gemstone sectors attended the event. Almost half of the businesses were female.



ATAR worked with the Kabul Chamber of Commerce and Industries to hold a meeting to identify challenges faced by traders in the handicraft, carpet, marble, and gemstones sectors.

ATAR compiled a list of around 15 major issues raised by businesses, including uncertainty regarding Afghanistan's political situation; high royalty fees on marble and gemstones; corruption at government agencies, specifically customs; lack of implementation of applicable laws; difficulty in obtaining visas to Central Asian countries and India; lack of government support; and lack of access to electricity and industrial parks. ATAR will follow up to validate these issues and prepare appropriate recommendations. ATAR will hold the next consultative meeting with the Afghan Women Business Federation (AWBF) on March 19.

CABOC aims to provide an opportunity for Central Asian and South Asian businesses to exchange information and establish links with each other as well as to have direct interactions and meetings with government officials. The conference is three days, including one day for business-to-business meetings, a second day for business-to-government meetings, and a third day for government-to-government meetings.

Conformity with the WTO Agreement on Trade Facilitation

ATAR launched the process of evaluating conformity with the recently adopted WTO Agreement on Trade facilitation. ATAR worked with MOCI to collect relevant laws and other legal acts and to conduct analysis. ATAR held a meeting with ACD to discuss the provisions of this new agreement and determine the level of conformity.

2. The Kyrgyz Republic

Introduction to Kyrgyz stakeholders and preparation for activities

Early in the quarter, ATAR began introducing the project to the USAID Mission in Kyrgyzstan and various Kyrgyz stakeholders and preparing for the implementation of ATAR activities. Given the tension which resulted from a shooting and border closure between Tajikistan and Kyrgyzstan, activities related to MOU on border cooperation with Tajikistan and designation of Karamyk as an international transit point were not pursued during this quarter. ATAR however launched a number of activities related to Comprehensive Integrated Tariff System (CITS), Electronic Data Interchange (EDI), conformity with the WTO Agreement on Trade Facilitation, and preliminary needs review of risk management, post clearance audit and Authorized Economic Operators implementation.

ATAR coordinated with Asian Development Bank (ADB) in January in Bishkek to discuss ATAR and ADB activities in the region and possible coordination. ADB is launching four new technical assistance projects, each about $1.5 million with two-year implementation periods, in Central Asia.

In January, ATAR discussed technical assistance needs in quality management infrastructure with the head of the Kyrgyz government's technical regulation and metrology department. This area of assistance was proposed by the USAID Kyrgyz Republic Mission as one of ATAR's potential activities in the country. HACCP appears to be a top priority given the requirements for adherence by end of June 2014 in accordance with the new Law on Technical Regulations.

In January, ATAR met with USAID's REFORMA project in the Kyrgyz Republic to discuss possible areas of coordination. REFORMA, which is scheduled to end in September 2014, focuses on improvement of the business environment, specifically in the mining sector.

In February, ATAR employed two local staff members for the project's office in the Kyrgyz Republic, and the employees began reviewing various initiatives that would help improve trade between the Kyrgyz Republic and Afghanistan.

In March, ATAR conducted an introductory meeting with the Kyrgyz Republic's Deputy Minister of Economy, the Kyrgyz Republic's Deputy Minister of Transport, and the Kyrgyz Republic's First Deputy Chairman of the State Customs Service and provided a brief description of ATAR and its proposed activities in the Kyrgyz Republic.

ATAR also conducted meetings with representatives of the private sector and discussed cooperation issues with the chairman of the Association of Freight Forwarders of the Kyrgyz Republic, the chairman of Road Transport Association, and an official from the Textile Union.

Throughout this quarter, ATAR held many meetings with the State Customs Committee and the Ministry of Economy to discuss cooperation on trade and customs issues.

Comprehensive Integrated Tariff System

During February, the staff examined the status of implementation of CITS. ATAR is assisting the Kyrgyz Republic's customs service in taking initial steps toward developing a CITS, which would ensure greater transparency and access to information regarding import and export trade and transit regulations. Through CITS, an Afghan (or any) trader from any location with web access will have access to information related to tariffs, taxes, fees and non-tariff barriers applicable to products imported into or exported from the Kyrgyz Republic.In February, ATAR conducted a meeting with the Kyrgyz Republic's director of the Single Window State Enterprise to discuss existing resources on non-tariff measures and possible cooperation on CITS. ATAR identified missing data elements to be further collected for the CITS including dual use technology, environmental measures, and technical barriers to trade.

Risk Management, AEO, and Post Clearance Audit

ATAR also examined the status of implementation of the Kyrgyz Republic's authorized economic operators (AEO), which would provide benefits for Afghan traders who qualify under this system. An AEO is a party involved in the international movement of goods that has been approved by or on behalf of a national customs administration as complying with World Customs Organization or other supply chain security standards. ATAR conducted a preliminary quick review of the Kyrgyz Republic's computerized risk management and post-clearance audit system. These systems facilitate trade by decreasing the number of inspections for less risky shipments and traders.

WTO Trade Facilitation Agreement

In February, ATAR started preparations for the review of the Kyrgyz Republic's compliance with the WTO Trade Facilitation Agreement and identifying and collecting relevant legislation for implementation of this new agreement. An expert was fielded late March and started meeting with relevant officials from Customs Services, Ministry of Economy, Customs Broker, and SPS services.

To start the work, the ATAR team together with USAID Kyrgyzstan Mission representative, conducted a meeting with the Deputy Minister of Economy of the Kyrgyz Republic and the Heads of its International Trade and Customs Policy Departments. A workshop on the WTO Trade Facilitation Agreement was held on April 7-8 at the Ministry of Economy. Stakeholders from the private and public sector participated. A roundtable with relevant officials from the Ministry of Economy and Customs Services to present the findings of the compliance assessment will be organized in mid-April.

EDI-TAKDEC

ATAR started working on presenting customs-to-customs EDI system to Kyrgyz customs. An initial Tajikistan-Afghanistan-Kyrgyzstan Data Exchange for Customs (TAKDEC) prototype for Kyrgyzstan has been prepared and is ready for testing with the Kyrgyz United Automated Information System (UAIS) customs systems. ATAR conducted a meeting with the head of the Risk Management Department of the Kyrgyz Customs. Kyrgyz Customs will facilitate a presentation of the system on April 1 for representatives of its relevant departments. Kyrgyz Customs has also expressed interest in automating its customs law enforcement processes.

3. Tajikistan

Introduction to Tajik stakeholders and preparation for activities

Early in the quarter, ATAR began introducing the project to the Tajik counterparts, namely the deputies of the State Customs Service and the Ministry of Economic Development and Trade, and preparing for the implementation of ATAR activities.

Throughout the quarter, ATAR also met with the various stakeholders and other members of the donor community to discuss collaboration with ATAR, namely the American Chamber of Commerce in Tajikistan, the Tajikistan Chamber of Commerce and Industry, the Association of International Road Carriers of the Republic of Tajikistan (ABBAT), the Customs Brokers Association in Tajikistan, the Association of Automobile Transport (AIATT), the Free Economic Zone (FEZ) Panj, the International Office for Migration (IOM), GIZ, the European Union, OSCE and BOMNAF, the Asian Development Bank (ADB), and Tajik Single Window Centre.

Given the tension which resulted from the shooting and border closure between Tajikistan and Kyrgyzstan, activities related to border cooperation with Kyrgyzstan and designation of Karamyk as an international transit point were not pursued during this quarter. ATAR however launched a number of activities related to the promotion of the Mutual Assistance Agreement (MAA) on cooperation in Customs Matters with Afghanistan, namely, Electronic Data Interchange (EDI), Single Window, and harmonization of trade documents.

In March, ATAR confirmed the State Customs Service's requirements to build capacity in respect of Custom risk management, Post Clearance Audit, a Comprehensive Integrated Tariff System, the ICT database administrators, and for the translation of legal documents to be published on their website.

ATAR met with the Ministry of Agriculture – Veterinary Service -- to confirm their request for assistance with a proposal for an Agreement on Cooperation and Mutual Assistance in Veterinary Affairs, between the governments of Tajikistan and Afghanistan and Pakistan, and for the introduction of a national risk management strategy within the Tajik Veterinary Service.

Joint Business Council

In January, the Tajikistan Chamber of Commerce and Industry (TCCI) gave ATAR its informal support to establish a Joint Business Council (JBC) between Tajikistan, Afghanistan, and Kyrgyzstan after ATAR held discussions with TCCI to update a memorandum of understanding regarding the council. During the second half of January, TCCI appointed a point of contact for the JBC, and both the Afghanistan Chamber of Commerce and Industries and the Kyrgyz Chamber of Commerce and Industry (KCCI) reciprocated. ATAR is endeavoring to identify an event at which the three nominated parties can attend and sign the memorandum of understanding.

Mutual Assistance Agreement (MAA) and MOU with Afghanistan

ATAR met the International Cooperation Unit for the State Customs Service in January to discuss progress of the Agreement on Cooperation and Mutual Assistance in Customs Affairs, known as the

MAA, between the governments of Tajikistan and Afghanistan. This MAA was signed on March 2 in Kabul. ATAR also discussed the memorandum of understanding regarding information sharing and joint border controls between the two customs administrations, which shall be further discussed after ratification of the protocol for the MAA.

Afghanistan Pakistan Tajikistan Transit Trade Agreement

In February, ATAR conducted two roundtables and held discussions to build capacity and deeper understanding of the Afghanistan Pakistan Transit Trade Agreement (APTTA) for Tajik government officials and for representatives of the Tajik private sector. Tajikistan's Deputy Minister of Economic Development and Trade Umed Davladzod said the Tajik government is interested in negotiating the Pakistan Afghanistan Tajikistan Transit and Trade Agreement (PATTTA), which would be an expansion of the APTTA. ATAR provided a Russian translation of the PATTTA draft agreement highlighting the Afghanistan amendments. In the last week of March, the Tajik and Afghan governments assigned a protocol to present a unified version of the PATTTA to the Pakistan government, with the intention to sign by the end of 2014.

ATAR provided significant guidance and clarifications to Tajik officials in understanding APTTA and the proposal for extension made respectively Afghanistan and Pakistan. ATAR provided a Russian translation of the PATTTA draft agreement highlighting the Afghanistan amendments.

In the last week of March, Tajikistan formally agreed to the proposals made by Afghanistan to extend APTTA to PATTTA, and both governments signed a protocol to present a unified version of the PATTTA to the Pakistan government, with the intention to achieve a signing by the end of 2014. ATAR will continue to provide follow-up assistance for the Tajik government to facilitate PATTTA negotiations.



In partnership with the Tajikistan Chamber of Commerce and Industry, ATAR held a presentation on the Afghanistan Pakistan Transit Trade Agreement for Tajikistan's private sector.

Single Window

During the quarter, ATAR participated in reviewing a test application of Tajikistan's Single Window with the European Union country representative, the GIZ trade facilitation team, and the software development team. ATAR also participated in discussions on legal and procedural issues regarding the Single Window.

Such a system enables cross-border traders to submit regulatory documents at a single location and/or single entity.

TAKDEC

During the quarter, ATAR began activities with State Customs Service to introduce a customs-to-customs electronic data interchange node between Tajikistan and Afghanistan, and between Tajikistan and Kyrgyzstan to increase cross-border cooperation, reduce corruption, and enable pre-arrival declarations and sharing of trade and transit information.

ATAR installed the Tajikistan-Afghanistan-Kyrgyzstan Data Exchange for Customs (TAKDEC) application in a test environment and made adjustments to fulfill the requirements and the needs of the strategic, tactical, and operational layers of the Tajik State Customs Service. ATAR also developed an administrator's manual and a user's manual for generic application within Afghanistan, Tajikistan and Kyrgyzstan, and the latter document was translated in the Russian language. ATAR received the memorandum of understanding between the customs administrations of Tajikistan and Kyrgyz Republic for exchange of information from Tajik customs and evaluated annexes specifying the technical data structures.

Harmonization of trade documents

ATAR collated official trade documents enacted by the Tajik government agencies to control the flow of international goods for evaluation of conformity with the United Nations Layout Key for Trade Documents.

This exercise is one of several that ATAR is undertaking with the objective of simplification of border crossing formalities and to enable harmonization of documents used at the proposed joint border posts with neighboring customs administrations.

4. Turkmenistan

Preparation for ATAR's Turkmen activities

In February, ATAR met with USAID and the U.S. Embassy in Turkmenistan to plan activities and explore options for presenting ATAR to Turkmen authorities. Meeting participants agreed to focus ATAR's first year's activities on the following:

- Capacity to prepare an effective export development strategy for increasing competitiveness of Turkmen goods and exports to regional and global markets.
- Capacity to develop an export promotion strategy, export promotional tools, and materials.

- Assistance to increase competitiveness by improving trade regulations to lower costs and conform to international quality standards and product safety requirements.
- Assistance in identifying export opportunities and facilitating business linkages.
- Capacity building on techniques to effectively trade with other countries.
- Capacity building for in-depth understanding of WTO customs-related agreements.
- Strengthening the capacity of the Turkmen customs training center.
- Streamlining costly and unnecessary trade/customs related procedures and requirements.

USAID/Ashgabad and ATAR believe a long-term expatriate should not be fielded at this stage in Turkmenistan. Initial short-term ATAR missions will build confidence, and ATAR will aim to field a long-term expatriate in about six months. In the meantime, USAID/Ashgabad suggested Mr. Farhat Farhat be the acting expatriate for Turkmenistan and travel to Ashgabad as requested by USAID/Ashgabad office. ATAR will keep long-term local presence in Turkmenistan to coordinate ATAR's activities and support analytical activities.

In February, ATAR also met with a number of donors in Turkmenistan, including ADB, the European Union, and the United Nations. None of the donors appears to be engaged in any of the activities ATAR plans in Turkmenistan. ATAR also met with the head of the union of economists of Turkmenistan and discussed economic situation and government priorities.

During the quarter, ATAR began collecting various Turkmen laws and regulations governing customs operations and non-tariff barriers to trade. ATAR compiled a summary of trade-related developments in Turkmenistan during the last three weeks, highlighting numerous announcements for promoting export development. ATAR translated a new law on commodity and raw materials exchanges. ATAR will conduct a quick review of this law during the second half of March to compare with the previous system.

5. Uzbekistan

Introduction to Uzbek stakeholders and preparation for activities

Early in the quarter, ATAR began introducing the project to various Uzbek stakeholders and preparing for the implementation of ATAR activities. In January, ATAR delivered a presentation to the USAID Uzbekistan country office about ATAR activities, Central Asian activities, and in Uzbekistan in particular. Participants included the Ambassador, USAID, the Drug Enforcement Agency, the Defense Logistics Agency, and the political/economic section of USAID's country office. The Ambassador supported ATAR while noting the political sensitivities and difficulties of operating in Uzbekistan.

Also in January, ATAR gave a project presentation with a focus on proposed activities in Uzbekistan for donors, including representatives of USAID/Uzbekistan, the United Nations, World Bank, GIZ, and International Finance Corp. Participants shared their views and provided suggestions for possible areas for ATAR assistance in Uzbekistan.

ATAR delivered a presentation in January on its planned activities for the AmCham Trade and Investment Committee members in Uzbekistan. The Association of International Business and Technology (AMBIT) hosted the meeting. Most of the participants were international businesses with

practical experience in regional trade, including with Afghanistan. They provided useful comments and noted the necessity of activities for expanding trade and economic cooperation with Afghanistan.

During the quarter, ATAR worked on recruiting and hiring local personnel to staff the Uzbekistan office. ATAR and USAID's Regional Economic Cooperation (REC) project also prepared a draft joint plan for cooperation between both projects on 10 specific activities during the period ending June 2014. The Joint Plan was well received by USAID/CAR and the USAID/Office in Tashkent. ATAR and REC also agreed to share office space in Tashkent starting in May, pending ATAR budgetary approval.

6. Region-wide

Regional Matrices on Trade Problems and Opportunities and Traders

In February, ATAR completed the Central Asian Republic illustrative trade issues matrix. The matrix includes Afghanistan, Pakistan, Tajikistan, Uzbekistan, Kyrgyz Republic, India, Turkmenistan, and Kazakhstan and covers topics such as trade policies, cross-border issues, bilateral agreements, and trade disputes among the countries. ATAR provided the matrix to USAID, and the matrix will be used for coordination, planning, and monitoring purposes.

ATAR began collecting laws and regulations in Afghanistan, Tajikistan, and the Kyrgyz Republic to support the study for assessing the level of conformity with the new WTO Agreement on Trade Facilitation.

ATAR launched effort to develop and regional matrix covering the five Central Asian Countries Afghanistan, (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan), India, and Pakistan. The Matrix will highlight export opportunities in one country of potential interest to traders in the other countries.

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. Tax Administration

Revised VAT work plan

The USAID trade team reached a provisional agreement with the Department for International Development (DFID) in February to refocus ATAR resources to directly support value added tax (VAT) implementation in ACD. ATAR drafted a briefing paper for USAID with indicative activities.

In February, ACD's director general of customs supported the proposal for VAT-focused technical assistance for his department and said he would nominate a senior staff member as the VAT counterpart for ATAR. The director general also agreed the ATAR VAT program manager would accompany him to the VAT steering committee meetings.

In the latter half of February, ATAR held a meeting with Adam Smith International Tax Administration Project (TAP) to discuss how ATAR can best complement existing work in the Afghanistan Revenue Department (ARD). Both projects agreed ACD must take ownership of the VAT agenda and understand an effective VAT relies just as much on ACD as ARD. ACD will have to strengthen its information profiling, information handling, and information exchange before VAT is implemented. Feedback on the VAT work plan from the DG Customs and DM Sabit is still awaited.

2. Customs Reform

ATAR customs work plan

In January, ATAR worked with ACD directors to develop the customs component of the ATAR work plan and held numerous meetings and discussions to submit the final draft plan to USAID.

During January, ATAR also developed a six-month work plan for local project staff who will be working in the regions and received permission from ACD to deploy the staff in February.
Throughout January, ATAR national staff received training in E-Pay, risk management, and training course development to prepare to implement ATAR's work plan. ATAR also met with the United Nations Office for Project Services (UNOPS) and the BMTF to ensure coordination on activities.

Review of TAFA-supported ACD measures

Early in the quarter, ATAR determined the status of various TAFA-supported initiatives considering the gap of about three months between the end of TAFA and start of ATAR.

The ATAR review demonstrated that ACD sustained some initiatives, did not sustain others, did not proceed on some initiatives, and moved forward on others although not necessarily to international standards.

TAFA-Supported Initiatives at ACD	Sustained	Not sustained	Not fully implemented
Customs Streamlined Procedures			✓
Border Management Model	✓		
Customs and Trade Consultative Council	✓		
E-pay			✓
Risk Management			✓
International Agreements			✓
Female Intern Program	✓		
Biometric Attendance Readers		✓	
Customs Mirror (monthly newsletter)		✓	
ACD website	✓		
National Anti-Smuggling Hotline		✓	
Pocket Notebooks		✓	
National Customs Interception and Seizure (NCIS) database		✓	

ATAR is working to fully institutionalize the initiatives with the cooperation of ACD managers. ATAR's information technology department began working to operationalize the National Anti-Smuggling Hotline again. ACD nominated two staff members to be trained on the hotline and its maintenance once operational. During February, ATAR reviewed the Enforcement Directorate's computers to resolve the technical issues regarding the NCIS database. During the review ATAR found systematic misuse, multi-infections of the virus and disassembling. ATAR will check the server set-up and establish specific staff responsibilities for NCIS. ATAR did this review in February and it is part of the technical issues of NCIS

ATAR also drafted policies on the use of information technology in ACD's enforcement section for review by ACD's director of enforcement. The policies cover the National Customs Interception System (NCIS), a database that is used to centrally record all customs infractions and includes details of importer, broker, and location; the Afghan Customs Intelligence Database (ACID), a centralized system used to securely record all ACD intelligence information; the National Anti-Smuggling Hotline (NASH), which allows informants to call a hotline with tips on smuggling; and the Operation Security Policy (OPSEC), which explains how to store classified information. Once these policies are in place with management controls, ATAR will submit a training plan and support ACD in bringing the systems back on line.

During January, ATAR obtained access for ACD to the World Customs Organization's Central Enforcement Network (CEN), which offers customs officers representing more than 150 countries access to a database of customs seizures and offences. ATAR also provided ACD with software for the WCO's nCEN system, which mirrors the international CEN and is for national customs intelligence use. ACD will nominate staff to be responsible for this online database.

Review of streamlined customs procedures

Throughout the quarter, ATAR collected and collated data from the regions on the implementation of streamlined customs import procedures and risk management.

The table below shows both the number of non-compliant steps and percentage of selectivity under risk management at each customs location at which risk management is being implemented. ATAR's review of risk management, for example, showed that declarations going through green lane (no inspection) dropped to 10 percent at KIA while declarations through the red lane (physical inspection) and yellow lane (document inspection) rose in some cases to as high as 50 and 60 percent, respectively. This slows trade, wastes staff resources, and increases opportunities for corruption, but it does not increase effectiveness in managing risk.

During the TAFA projects, KIA had an impressive 26 percent of declarations going to the green lane based on risk profiles developed and implemented with TAFA assistance. This resulted in quicker customs clearance for compliant traders and allowed ACD to allocate staff to other areas in which they were needed.

ACD Location	ATAR Review of Customs Procedures in Early 2014	ATAR Review of Risk Management Clearance Selectivity in Early 2014
Kabul International Airport	Seven non-compliant steps	RED: 60% YELLOW: 30% GREEN: 10%
Jalalabad ICD*	Six non-compliant steps (Three steps removed after discussion with ATAR)	RED: 28% YELLOW: 50% GREEN: 22%
Kabul ICD	Five non-compliant steps	RED: 50 % YELLOW: 20% GREEN: 30%
Herat	Three non-compliant steps	RED: 30 % YELLOW: 20% GREEN: 50%
Hairatan	Seven non-compliant steps	RED: 40% YELLOW: 30% GREEN: 30% *
Torkham	Three non-compliant steps	RED: 29% YELLOW: 50% GREEN: 21%
Kandahar	To be completed	RED: 41% YELLOW: 43% GREEN: 16%

** ACD is reporting a figure of 30 percent channeled through the green lane, but all cargo appears to be going through the red or yellow lanes regardless of selectivity.*

ATAR began encouraging compliance at the local level to put procedures in line with the approved streamlined customs procedures blueprint in place upon completion of USAID's Trade Accession and Facilitation (TAFA) projects. ATAR's regional staff began working with ACD to try to remove unnecessary steps added after TAFA's completion. ACD has already removed three redundant steps in Jalalabad after discussions with ATAR.

ATAR has received little regional cooperation in this issue with clear objections in some areas due to the persons in place being powerfully connected and the removal of the step affects the receipt of illicit payments. Without clear direction from the DG Customs (with no guarantee of compliance) this will not be achieved.

Risk Management

During the latter half of February, ATAR delivered training in automated selectivity and risk profiling to 15 ACD staff in the intelligence and risk management unit from Feb. 25-26.

ACD is implementing risk management, an International Monetary Fund benchmark, at Kabul International Airport, Kabul Inland Clearance Depot (ICD), Jalalabad ICD, Mazar-I-Sharif ICD, Herat ICD, and Kandahar ICD, but the system needs improvement. ATAR is working to change the systems in place that are based on tariff code numbers and do not supports trade facilitation. The system based on tariff codes is a "catch all" profiling system that targets commodities and does not differentiate between compliant and non-compliant importers.

ATAR is working with ACD's risk management unit to develop profiles that take into account infraction and historical data based on broker, importer, and origin. ATAR has reviewed data recorded on the import declaration Single Administrative Document and has recommended that exporter details, vehicle and container numbers, country of origin, and country where consigned are recorded on the import declaration to assist in intelligence, risk profiling and valuation issues.

ATAR's training built upon existing basic training delivered under the TAFA project. Trainees took a pre-training, written examination on the first day to allow ATAR to gauge knowledge and skill sets. With the exception of one ACD staff member who failed to take the test, all trainees successfully passed with many achieving scores of 80 percent or more.

E-pay for customs duties

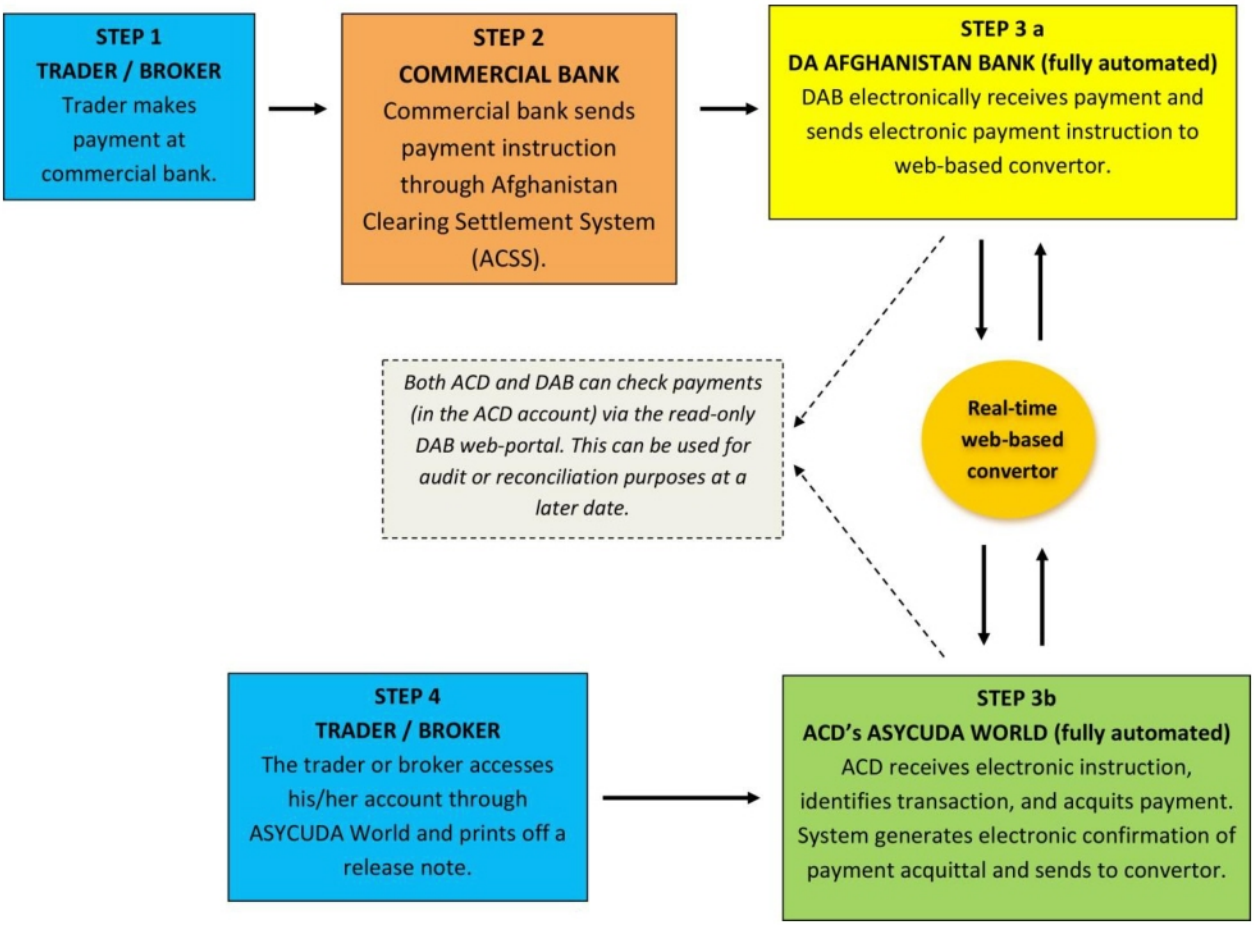
ATAR worked throughout the quarter with ACD and DAB to broker an agreement between the two entities regarding the implementation of E-Pay, or the electronic payment of customs duties.

Early in the quarter, DAB stated it was ready to implement E-Pay and that it was using the system with ARD to collect payments from medium and large taxpayers. However, ACD's Director General requested further discussions take place regarding E-Pay's implementation for customs duties due to ACD's perceived risk of possible revenue loss with the E-Pay process. ATAR had conducted a risk assessment on the E-Pay process and determined that there was minimal risk of revenue loss.

Despite ATAR's risk assessment ACD said it was not prepared to implement E-Pay based on the processes agreed with DAB I 2013; DAB, in turn, would not agree to change the agreement as its long-term strategy is to close all offices at customs stations and remove itself from the commercial banking process.

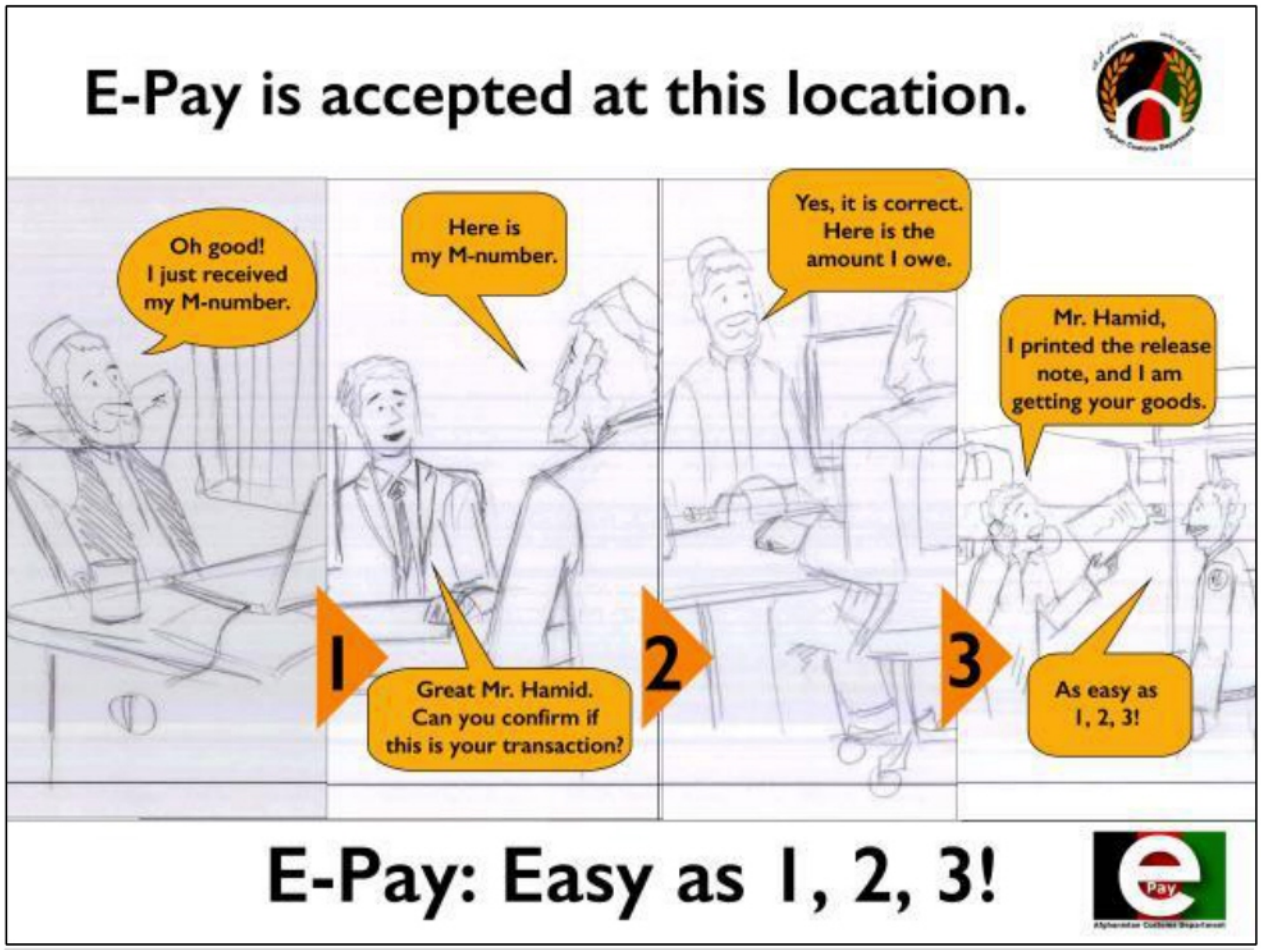
In February, ATAR held numerous discussions with DAB and ACD regarding the process of electronic acquittal without human intervention. ACD met with ACD's technical director and the Automated System for Customs Data (ASYCUDA) director to discuss the new electronic payment (E-Pay) procedures for paying customs-related duties. ACD accepted the new procedures, and ATAR drafted new standard operating procedures (SOPs) and submitted them to ACD for consideration.

PROPOSED E-PAY PROCESS



ATAR offered assistance as needed with regard to communications between ASYCUDA World and Da Afghanistan Bank (DAB) web portal, which will be developed by Virmati, an Indian software developer, and funded by ATAR. Based on ACD's technical director request, the ASYCUDA technical team met the DAB technical team at the beginning of March to confirm technical viability of automated interaction between the various systems. ATAR began drafting outreach materials and will submit the materials to ACD upon completion. It is now for ACD and DAB to move this forward as ATAR have been instructed to not engage in any activities related to ASYCUDA.

DAB has reported that E-Pay implementation within the Afghanistan Revenue Department for tax payments from medium and large taxpayers continues to be a success – with 2,523 transactions totaling 1.879 billion Afghanis, or $33.4 million, collected from January 4 to March 12. These funds were collected by all 16 commercial banks within Afghanistan.



ATAR began drafting outreach materials that will explain E-Pay to traders and brokers.

Developed and began implementation of training plan

During February, ATAR developed a number of training courses to deliver to ACD staff in Kabul and in the regions to give ACD staff the skills to sustain the changes to procedures and operations.

ATAR designed a training needs assessment format that has been agreed upon by ACD. The purpose of this assessment was to collect full training requirements for ACD's regional and headquarters staff, including individual training needs, training received, staff educational qualifications. While this data is important to ATAR, the information will also assist the Afghan National Training Academy (ANCA) in recording data, developing national training requirements and populating a future training database. To date the following training materials have been developed and courses planned:

TRAINING PLAN FOR ACD					
Course	Status of Materials	Target Audience	Duration	Target Date	Number of staff to be trained
Train the trainer	Completed and being translated	Enforcement staff	10 days	April 12th	12 plus ATAR staff
Risk management	Completed	Risk management staff	2 days	Completed February for central staff	10 central staff and a minimum of 50 regional staff
Pocket notebook and cargo examination	Completed and due to be translated	Mobile verification team staff	2 days	March - May	140 mobile verification team staff in Kabul and regions
National Targeting Exploitation Center	Awaiting approval from the director general	Intelligence staff	To be determined	To be determined	12 central staff
Intelligence	Under development	Intelligence staff	5 days	To be determined	12 central staff, regional staff as identified
Investigation	Under development	Investigation staff	5 days	To be determined	12 central staff and regional staff as required

ATAR advisors visited ANCA and discussed training issues with both ANCA management and the Border Management Task Force (BMTF) and agreed to work closely with both on all training issues. All training materials developed by ATAR will be placed on CD and submitted to ANCA for future use. Security allowing, it is has been agreed ATAR can utilize ANCA for future training events.

During the latter half of February, ATAR delivered training in automated selectivity and risk profiling to 15 ACD staff in the intelligence and risk management unit from Feb. 25-26. ACD is implementing risk management, an International Monetary Fund benchmark, at Kabul International Airport (KIA), Kabul Inland Clearance Depot (ICD), Jalalabad ICD, Mazar-I-Sharif ICD, Herat ICD, and Kandahar ICD, but the system needs improvement. ATAR is working to change the systems in place that are based on tariff code numbers and do not support trade facilitation. The system based on tariff codes is a “catch all” profiling system that targets commodities and does not differentiate between compliant and non-compliant importers.

Single Administrative Document

ATAR has made a written recommendation to the DG for correctly utilizing certain data fields contained within the Single Administrative Document (SAD). Currently, a number of key indicator fields are not being utilized on this document, such as the Exporter Details (Box 2), Identify of Vehicle (Box 18), Delivery Terms (Box 20) and Means of Transportation (Box 21).

The collection of this data electronically within ASYCUDA (when the declaration is made) is vital to the success of both risk management and the ACDs compliance with valuation requirements under the World

Trade Organization (WTO). If the data is not collected electronically, it cannot be targeted for risk management or utilized for valuation purposes.

Further details relating to the use of these data fields is available below:

SAD Number	Description and Reasons for Non-Compliance
Box 2 Exporter Details	The exporter details are a key risk indicator to identify suspect companies and serial offenders, not only in customs fraud issues, but other criminal activities. By identifying non-compliant exporters, intelligence officers can track exports to other companies to detect further offences and target them via the use of risk profiles. It is a requirement from the World Trade Organisation (WTO) for the ACD to utilize Article VII of the General Agreement on Tariff and Trade (GATT) for the purposes of valuing goods. In the absence, or suspected fabrication, of the transaction value (obtained from the invoice), the ACD must utilize the other valuation 'methods' in sequence. For example, it is only after attempting to value goods utilizing Method 2, that the ACD then utilize Method 3 etc. The different methods are listed below: Method 1 — Transaction value Method 2 — Transaction value of identical goods Method 3 — Transaction value of similar goods Method 4 — Deductive method Method 5 — Computed method Method 6 — Fall-back method The use of false invoices is currently a major issue in Afghanistan. As such, it is vital that the following information is electronically captured so that "Method 2" can be properly applied: 1. Produced in the same country; 2. By the same person; 3. With same physical characteristics; 4. With same quality; and 5. With same commercial reputation. As this box is not being populated (which would capture much of this information), the ACD cannot apply Method 2 for the purposes of the GATT, and are therefore non-compliant with the WTO.
Box18 Identity of vehicle	Comparing box 18 with box 21 gives provides important information concerning the Customs clearance process at ICDs. Whilst in box 21 declarants must declare the identity of the means of transport that has crossed the border (which is still important

	but might have been changed prior to arrival at ICD), in box 18 declarant's must declare the identity of the means of transport where the goods are loaded when presented at ICD upon arrival. The check at arrival should be made against the information provided in box 18 and not 21, even those could be the same.
Box 20 Delivery terms (Incoterms)	Incoterms are a key factor in the valuation process, as they identify what the status of the goods were at the point of shipment, and the terms contracted for the goods. For example, two commonly used incoterms are: CIF = Carriage insurance and freight included; Ex-Factory = Cost of goods delivered from the factory (no freight or insurance included) These terms give a clear indicator to the valuation officer of any potential additional costs that need to be added to the invoice value. By not recording these details, the ACD are potentially losing additional revenue that should be collected.
Box 21 Means of transportation	A key risk indicator is the means of transportation. Serial offenders will often utilize the same vehicle, and or container, which may have been adapted to further the process of smuggling goods. For example, concealments via false bulkheads in containers, false floors in vehicles etc. are commonly used for smuggling activities. As this information is not currently captured (i.e. the registration of the vehicle and container number is not recorded), it is not possible to target vehicles or containers through the use of risk profiles.

Post Clearance Audit (PCA)

Despite regular written and verbal recommendations under both TAFA and ATAR, the ACD continues to insist that Post-Clearance Audit review all import documents as part of the clearance procedure. There appears to be a fundamental misunderstanding within the ACD as to the role of PCA teams. Their inclusion within the process means that the ACD is not compliant with the Revised Kyoto Convention for the purposes of risk management. Furthermore, PCA's misdirected efforts mean the ACD has no facility to undertake proper post clearance checks or assessments of importers. As a result, the ACD cannot currently utilize the blue lane as part of its overall risk management strategy.

The reform of PCA does not form part of ATAR's work plan, as efforts are currently being led by a different implementer. ATAR will continue to work with the ACD and this implementer to try and ensure PCA is reformed without further delay and in line with international requirements.

Embedded regional staff

During the quarter, ATAR embedded local project staff located in Mazar-i-Sharif, Herat, and Jalalabad working closely with ACD regional staff on risk management, streamlined customs procedures, time release studies, training needs analyses, and monthly management reports.

Customs Progress in Regions as of end of March 2014					
Site	Risk Management	Streamlined Customs Procedures	Time release study (TRS)	Training needs analysis (TNA)	Monthly Management Report (MMR)
Mazar-i Sharif	ATAR started a risk awareness program to prepare for risk management training.	ATAR determined proper streamlined procedures will only be implemented with DG intervention. ATAR will raise the issue with him.	Hairatan brokers are supporting the TRS conducted by ATAR in partnership with ACD. Forty-five forms have been completed.	ATAR implemented the TNA with ACD support and is awaiting results. Some ACD officers are not complying, and ATAR is trying to resolve this issue.	The DG stressed this report is a priority, and ATAR will discuss this with him upon his return from a trip abroad.
Herat	ATAR will raise the issue of proper risk management in Herat with the DG.	ATAR continued to review streamlined procedures. ATAR will raise opposition to proper implementation with the DG. Risk management is ineffective due to poor implementation and little training. The TNA will highlight training issues, and ATAR will discuss at headquarters.	The Herat ACD director is opposed to TRS implementation and is suggesting only monitoring 10 declarations a week; this would not give an accurate or representative sample. ATAR will address the matter with the DG.	ACD Herat fully endorsed the TNA, and the forms are being distributed for completion.	The DG stressed this report is a priority, and ATAR will discuss this with him upon his return from a trip abroad.
Jalala-bad	ATAR reviewed physical examination and concluded goods are not examined properly. Procedures are not compliant with WTO or World Customs Organization (WCO); ASYCUDA randomly selects examination officers as an anti- corruption measure, but this is ignored.	ATAR discussed extra steps in the clearance process with the customs director and a number of these are set by the DG's directive. ATAR will raise this issue with the DG upon his Kabul return.[5]	Customs brokers are not willing to complete the TRS, but the ICD import manager is working with ATAR to reach a solution.	ACD disseminated the TNA among Inland Clearance Deport (ICD) staff. Final results are awaited. To date, 25 forms have been received.	ACD initially refused to cooperate in the MMR. The DG said he wanted the form to be reintroduced. ATAR persuaded the customs director of the importance of this form, and he has nominated an officer who is being mentored in its completion.
Kand-ahar	ATAR continued to try to recruit for a local customs expert in Kandahar.				

ATAR's regional staff conducted various meetings in Mazar-i Sharif and Jalalabad with the Border Management Task Force (BMTF) to coordinate customs activities.

Rolling Calendar – ATAR Future Activities					
Date	**Event**	**Participants**	**Location**	**Comp-onent**	**Comments**
May 2014	**Working Party Meeting**	**Afghan delegates and TAFA advisor, Farhat Farhat**	**Geneva, Switzerland**	**C1**	**Date to be confirmed.**
March	Roundtable for Business Enabling Environment	USAID and implementing partners	Kabul	C1/C2	To be facilitated by ATAR team leaders. Date to be confirmed shortly.
TBD	**Inauguration of Benezir Saffron Factory in Herat**	**Governor of Herat, USAID, Benezir CEO, and factory employees ATAR DCOP Qayum Ahadi**	**Herat, Afghanistan**	**N/A**	**On Jan. 20, the Benezir CEO postponed this event. This event resulted from USAID support for participation in Gulfood 2013 provided through the TAFA II project.**
April 14-16, 2014	**Central Asia Business Opportunities Conference (CABOC)**	**B2B, B2G, and G2G of stakeholders of USAID Pakistan Trade, USAID Regional Economic Cooperation, and USAID Afghanistan Trade and Revenue**	**Islamabad, Pakistan**	**C2**	
June 10-13, 2014	**Border Management & Technologies Summit 2014**	**Afghan Minister of Refugees and Repatriation; Iraqi, Georgia, Tajik, Kosovar government officials**	**Istanbul, Turkey**	**N/A**	**Organized by Intelligence-SEC**
June	**B2B: Afghanistan-Tajikistan-Pakistan**	**Select private sector for all three countrie**	**Dushanbe, Tajikisatn**	**C2**	**Being organized by ATAR**

- **Bolded items indicate the presence of media or high-level officials.**

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	$9.3 billion in 1391 excluding transit (Central Statistics Organization (CSO) report)	US$ 5.17 billion in the first nine months of 1392 (ACD report)	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit) **Note:** Total volume of trade in the first nine months of1392 was US$ 5.17 billion which included import (US$ 4.85 billion) and export (US$ 318 million)
2	Value of gross domestic product (GDP)	Outcome/Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$ 21 billion in 1391(CSO report)	Will be reported by end of 1392	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. **Note**: Based on Central Statistics Office report, the total value of Afghanistan GDP in 1391 was Afs 1,085,766 million = USD 21 billion.
3	Ratio of foreign trade in GDP	Outcome/Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank report)	Will be reported next quarter	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan. Note: This indicator will be reported once the Afghanistan GDP for 1392 is reported by the GiROA.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500 (1391)	Will be reported next quarter	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	US$ 318 million in first nine months of 1392 (ACD report)	Tracking only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** based on ACD, the total value of export in the first nine months of 1392 is US$ 318 million. **Disaggregation by Country:** Pakistan = US$ 102 million India – US$ 58 million UAE = US$ 46 million Iran = US$ 23 million Turkey = US$ 20 million USA = US$ 13 milloin China = US$ 11 million Iraq = US$ 10 million Turkmenistan = US$ 9 million Tajikistan – US$ 6 million Others = US$ 19 million **Disaggregation by Province :** Kandahar = US$ 82 million Herat = US$ 69 million Jalalabad = US$ 63 million Kabul = US$ 40 millino And Khoi = US$ 28 million Kabul Airport = US$ 22 million Mazar = US$ 9 million Others = US$ 6.6 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
6	Value of imports	Outcome/Impact USAID requested indicator	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	US$ 4.85 billion in first nine months of 1392 (ACD report)	Tracking only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on ACD, total value of Afghanistan import in the first nine months of 1392 was US$ 4.85 billion. **Disaggregation by Country:** Pakistan = US$ 1,036 million Iran = US$ 741 million China = US$ 659 million Turkmenistan = US$ 501 million Uzbekistan = US$ 255 million Japan = US$ 226 million Kazakhstan = US$ 198 million Malysia = US$ 183 million Russia = US$ 181 million UAE = US$ 121 million India = US$ 107 millin Others = US$ 645 milion **Disaggregation by Province:** Jalalabad = US$ 1,285 million Herat = US$ 1,273 million Mazar = US$ 661 million Nimruz = US$ 614 million And Koi = US$ 434 million Kandahar = US$ 299 million Kabul = US$ 132 million Others = US4 153 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
7	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/Impact USAID requested indicator	None	GIROA	Annual	27%	Will be report next quarter	20%	10%	It is crucial to have reliable trade related data for policy and planning. ATAR will support ACD and CSO (Central Statistics Office) to harmonize trade related data between the two organizations. **Note:** based on trade statistics data from ACD and CSO for the year 1391, the overall discrepancy was 27% (import 19% and export 35%). The project will report the discrepancy of 1392 once data received from CSO for this year.
8	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries
9	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
PIR 1.1: WTO accession process finalized										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	7	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; and 4) Parliament
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/Impact USAID requested indicator	Ministry partner	Project records	Quarterly	0	1	4	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR in Afghanistan.
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	1	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level (including by working group) with ATAR support. This mainly refers to the first draft finalized at the Ministerial level.
PIR 1.2: WTO implementation process developed and executed										
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	3	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, and other trade gathering.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarterly	0	3	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation will be captured under this indicator.
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	3	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator / Output USAID requested indicator	Province	Project records	Quarterly	0	2	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
18	Change in public perception toward trade	Outcome/Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey	To be determined (TBD) from perception survey	10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted in Year 1 of the project to collect baseline information and annually thereafter targeting the same group
PIR 2: Regional and global integration enhanced										
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records and MOCI	Quarterly	0	2	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/gender	Project Record and Export Promotion Agency of Afghanistan (EPPA)	Monthly	0	20	80	400	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.
21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: 66,851Imports 2,734 Exports Torqundi: Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	1	6	24	This indicator will capture the number of interactions and dialogues between the businesses and government organizations in the region on policy reform issues.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays
24	Cost to travel 500 KM per 20 ton ($)	Outcome/Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	US$ 1,580 Corridor 5, US$ 719 Corridor 6 (2012)	Will be reported next quarter	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the cost to travel 500 km per 20 ton is: Corridor 5 = US$ 1,580 Corridor 6 = US$ 719
25	Percentage share of trade with regional partners	Outcome/Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator will capture the share Afghanistan trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan
26	Average cost of crossing borders ($)	Outcome/Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	US$ 157 (2012)	Will be reported next quarter	Tracking only	Tracking only	The average of total expenses ($) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. **Note:** Based on CAREC Program Development Effectiveness Review Report 2012, the average cost of crossing border is US$ 157
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
27	Growth in customs revenue (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Per border crossing	ACD	Annual	$894 million in 1391	US$ 640 million in the first nine months of 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** based on MoF Performance Report, the customs revenue for the first nine months of 1392 is Afs 36.1 billion = US$ 640.5 million
28	Percent increase in tax collection	Outcome/Impact USAID requested indicator	Revenue source	ACD	Annual	US$ 747 million in 1391	US$ 650.5 million in first nine months of 1392.	Tracking only	Tracking only	This indicator captures the percentage increase in volume of tax collection in Afghanistan. Tax revenue consists of fixed taxes, income taxes and sales taxes. **Note:** based on MoF 1392 third quarter fiscal report, tax revenue collection in the first nine months of 1392 shows a decrease of 5% comparing to the same period in 1391. The total tax revenue in the first nine months of 1392 was US$ 650.5 million while this amount in the first nine months of 1391 was US$ 682.4 million. **Disaggregation by quarter 1392:** 1. Quarter 1 = US$ 200 million 2. Quarter 2 = US$ 211 million 3. Quarter 3 = US$ 239 million

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
29	Percentage of government revenue collection in GDP (excluding foreign grants)	Outcome/Impact Required by Prime Contract	Revenue source	ACD and project records	Annual	8% in 1391	Will be reported by end of 1392	Tracking only	Tracking only	Revenue is cash receipts from taxes, social contributions, and other revenue such as fines, fees, rent, and income from property or sales. **Note:** based on MoF 1391 annual fiscal report, The total government revenue in 1391 was Afs 81.7 billion equivalents to US$ 1.58 billion and the total GDP of Afghanistan was US$ 21 billion which shows that the percentage of government revenue collection in GDP was 8% in 1391. The total of government revenue in the first nine months of 1392 was US$ 1.35 billion (Afs 75.9 billion). This indicator will be reported next quarter once the total GDP of 1392 is reported by GiROA.
30	Non-tax revenue increase	Outcome/Impact Required by Prime Contract	Revenue source	ACD	Annual	US$ 351 million in 1391	US$ 253.5 million in the first nine months of 1392	Tracking only	Tracking only	The revenue obtained by the government from sources other than tax is called non-tax revenue. The major sources of non-tax revenue are Tax Sales of Goods and Service, Administrative Fees and Social contributions **Note:** based on MoF report, the total volume of non-tax revenue in 1391 was Afs 18.1 billion equivalents to US$ 351 million. The total non-tax revenue in the first nine months of 1392 was Afs 14.3 billion equivalents to US$ 253.5 million.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
31	Change in public perceptions toward VAT	Outcome/Impact Required by Prime Contract	Gender, region, age	Survey	Annual	TBD in perception Survey	TBD in perception survey	15% increase	40% increase	ATAR will work with a grantee or subcontractor to develop a VAT campaign for outreach on media issues, testing messages with stakeholders, including business organizations, civil society, and taxpayers, particularly women-owned businesses. ATAR will conduct a perception survey at the start of the project to determine public perception on VAT.
32	Number of permanent professional positions allocated for women within ACD	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	77	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
33	Number of female interns completing a six-month internship in ACD	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
PIR 3.1. Capacity of the Afghan Revenue Department to generate revenue through VAT implementation enhanced										
34	Percent of audit cases selected using risk-based criteria	Outcome/Impact Required by Prime Contract	Province	Large Taxpayer Office (LTO)/ACD records	Quarterly	0	0	TBD	TBD	This indicator refers to the proportion of audit cases started in a year that have been selected using prescribed risk-based selection criteria (for example, declared outputs less than declared inputs/ input tax greater than output tax/ tax performance ratio lower than trade sector average)
35	Number of VAT audits conducted	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	Under this indicator, the project will report the number of VAT audits started and finalized in the year.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
36	Share of cases yielding additional assessment (revenue) to cases selected for audit	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	This indicator captures the proportion of cases selected for audit that have yielded additional revenue assessments (in other words, the auditor has uncovered errors or under-declarations that produce extra tax).
37	Percentage of amount assessed through tax audit which is actually collected	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	This indicator measures the actual amount of "extra" assessed tax that is collected in the year. It implies the efficiency of debt management procedures is being measured along with the accuracy/sustainability of assessments raised during the audit.
38	Number of U.S. government supported training events related to implementation of the VAT	Operational Plan Indicator/Output Required by Prime Contract	Province	Project records	Monthly	0	0	TBD	TBD	Training refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on VAT.
39	Number of tax officers trained	Output Required by Prime Contract	Gender	Project records	Monthly	0	0	TBD	TBD	This indicator will capture the number of tax officers trained on VAT or other tax related topics.
40	Ratio of VAT revenue to total tax revenue	Outcome/Impact Required by Prime Contract	Province	LTO records	Annual	0	0	Tracking only	Tracking only	This indicator captures the percent of VAT generated revenue to total tax revenue
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
41	Average Customs processing time (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported in next quarter	TBD based on number of steps removed	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.
42	Number of documents/procedures required to import and export	Outcome/Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10, import 10, export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2014)	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
43	Time to export and import	Outcome/Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Busin-ess report 2014)	85 days, import, 81 days, export (World Bank Doing Busin-ess report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.
44	Number of customs systems in line with international best practices adopted	Outcome/Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline.
45	Number of risk management procedures adopted at customs depots	Outcome/Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management.
Cross-Component Indicators										
46	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	18 trainings 267 participants including 202 male and 65 female, 166 persons days of training	30 trainings/ 300 participants	120 trainings/ 1200 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Achievement till end March	Year 1 Target	Life-of-Project Target	Notes
47	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	1157 (Male 944, female 213)	1500	6000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40. This target for this indicator is set based on indicator No. 46 (# of trainings) assuming that each ATAR-led training maybe be on an average 5 hours.

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AFGHANISTAN TRADE AND REVENUE (ATAR) PROJECT

Quarterly Report for November-December 2013



Kabul-based ATAR, launched in November, will have a presence on Afghanistan's border and in Central Asia. In addition to improving Central Asian trade relations, ATAR will reintegrate Afghanistan into the global economy, boost Afghanistan's access to Pakistan and India, and increase trade revenue for the Afghan government.

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AFGHANISTAN TRADE AND REVENUE (ATAR) PROJECT

Quarterly Report for November-December 2013

Contract No. ID-OAA-I-12-00035
Order No. AID-306-TO-13-00009

Afghanistan Trade and Revenue (ATAR) Project
The Baron Hotel Compound
Near Kabul International Airport
Kabul, Afghanistan

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ACRONYMS

ACD	Afghanistan Customs Department
ANSA	Afghan National Standards Authority
ARD	Afghanistan Revenue Department
ASYCUDA	Automated System of Customs Data
ATAR	Afghanistan Trade and Revenue project
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CBTA	Cross Border Transport of Persons, Vehicles, and Goods Agreement
CSO	Central Statistics Office
DFID	Department for International Development
EGGI	Economic Growth and Governance Initiative
EPAA	Export Promotion Agency of Afghanistan
GDP	Gross Domestic Product
GIROA	Government of the Islamic Republic of Afghanistan
GSP	Generalized System of Preferences
IPPC	International Plant Protection Convention
LTO	Large Taxpayer Office
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MFN	Most Favored Nation
MOCI	Ministry of Commerce and Industries
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOI	Ministry of Interior
MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOPH	Ministry of Public Health
TAFA	Trade Accession and Facilitation for Afghanistan I and II projects
TAP	Tax Administration Program
TARVAL	Tariff and Valuation Management Tool
TBD	To Be Determined
TPAU	Trade Policy Analysis Unit
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
VAT	Value Added Tax
WTO	World Trade Organization

INTRODUCTION

I. Overview

USAID designed the Afghanistan Trade and Revenue (ATAR) project so Afghanistan could realize its full potential in the global trading market. ATAR will provide assistance to strengthen the business climate of Afghanistan to enable private investment, enhanced trade, job creation, and fiscal sustainability through this critical transition period.

The project builds upon a number of trade activities begun under USAID's Trade Accession and Facilitation for Afghanistan projects (TAFA and TAFA II, 2009 to 2013); USAID's Economic Growth and Governance Initiative (EGGI, 2009 to 2013); and the Department for International Development's (DFID) Tax Administration Program (TAP, 2012 to 2015).

ATAR is tasked with:

1. Improving the capacity of the Government of the Islamic Republic of Afghanistan (GIROA) to create and implement a liberal policy framework for trade and investment in accordance with international standards;
2. Enhancing integration in the regional and world economy through the promotion of trade and agreements, enhanced governance of corridors, and private-sector linkages throughout South and Central Asia;
3. Strengthening revenue generation for fiscal sustainability and trade facilitation through reforms and anti-corruption measures in customs and taxation.

These objectives will be achieved through three ATAR components:

Component 1: Support Trade Policy Liberalization

Component 1 will promote liberalization of Afghanistan's trade regime by supporting its accession to the World Trade Organization (WTO). This support will be accomplished by building the necessary capacity and providing technical assistance within the implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime within the region and meet WTO requirements. The policies, laws, and regulations will attract investment and enable the private sector to grow and prosper.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR will (1) facilitate the development and implementation of regional trade agreements; (2) assist GIROA to support measures needed to implement regional trade agreements; and (3) support the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with countries such as Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan. Additionally, this component may support USAID's regional economic zone (REZ) strategy.

Component 3: Improved Customs Administration

Component 3 will (1) enhance capacity of the Afghanistan Revenue Department (ARD) to generate revenue through implementation of value added tax (VAT), in combination with outreach and

enforcement; (2) improve customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade. Component 3 will build GIROA's capacity to generate revenue, through both tax and customs, to facilitate sustainable economic growth and trade and reduce GIROA dependence on donor funding.

2. Start-Up Activities

This quarterly report covers the period from the award of the ATAR contract in early November through the end of December. On November 9, Chemonics submitted applications to the Ministry of Foreign Affairs (MOFA), which provides MOFA numbers required for expatriates to submit applications for visas. The ATAR chief of party mobilized immediately upon execution of the prime contract and arrived in Kabul on November 12. The trade advisor overseeing Components 1 and 2 engaged immediately with USAID. Visas for all other expatriates were delayed due to both the Ashura holidays and the Loya Jirga. In November, Chemonics mobilized a two-person team from its Washington, D.C., headquarters to oversee initial startup activities. Priority activities included transferring office and residential space located at the Baron Hotel from teams who had leased it during the months following the end of TAFA II to ATAR.

The start-up team also hired initial Afghan operations staff and oriented them to proceed after departure of the startup team, submitting approval requests to dispose equipment from TAFA II to ATAR, opening bank accounts, setting up filing systems, preparing templates and guidelines for incoming staff, procuring office supplies, and submitting visa and work permit applications for expatriates, many of whom arrived in Kabul in December.

On November 23, USAID hosted an initial post-award meeting with USAID's mission director, deputy mission director, representatives of the Office of Acquisition and Assistance, the USAID trade team, and ATAR technical team leaders to review the prime contract and discuss rules and expectations.



The ATAR start-up team and initial project staff began ATAR start-up activities in November.

In November, ATAR finalized employment agreements with 22 Afghan professional and support staff. These staff had been included in the proposal-phase budget and were considered essential to launch priority activities. Among the initial group of hired staff were the deputy chiefs of party of technical programs and of finance and administration, a small legal team to carry forward on reforms sustained after TAFA II ended and now positioned within ATAR's trade policy liberalization component, and the directors of human resources, finance, and logistics. Upon departure of the expatriate startup team who worked in Kabul for approximately two weeks, these Afghan staff members assumed leadership for project administrative and technical startup. In December, ATAR hired an additional 10 staff members, bringing the total to 33 local employees by the end of the quarter.

While the expatriates waited for visas, the chief of party and trade advisor worked with them remotely to develop a draft annual work plan, incorporating key points from both the prime contract, the technical proposal submitted by Chemonics to USAID in July, and knowledge of stakeholders' needs. This preparatory work positioned the team to engage immediately upon arrival in Afghanistan in stakeholder consultations. The team continued throughout December on the work plan upon their arrival in Afghanistan. By the end of December, ATAR had 12 short- and long-term expatriate staff members in Kabul, two of which were based in Central Asia.

COMPONENT 1: SUPPORT TRADE POLICY LIBERALIZATION

Rapid mobilization of the Afghan legal team and the expatriate trade advisor in November facilitated continuity of work during the reporting period in key technical areas under ATAR's Component 1.

1. WTO Accession Process

Advancing Bilateral Negotiations

ATAR supported the Ministry of Commerce and Industries (MOCI) during the reporting period in advancing work on Afghanistan's bilateral WTO negotiations with the United States and Turkey and in reviewing the bilateral protocols completed last July with the European Union, South Korea, Chinese Taipei, Thailand, and Norway.

With ATAR support, Afghanistan signed bilateral protocols with Norway and Thailand during the reporting period. In December, ATAR assisted MOCI in revising the market access offer on goods for the United States to take into account points agreed upon during a video conference on November 26. ATAR also supported MOCI in preparing a revised offer for Turkey for certain goods.

Afghanistan anticipates the bilateral protocol on goods between Afghanistan and United States will be signed in Kabul during a visit by representatives of the U.S. Trade Representative in January. The Minister of Commerce and Industries will travel to Ankara to sign the bilateral protocol on goods with Turkey upon conclusion of negotiations. MOFA agreed to accredit the Afghan ambassador in Geneva to sign the bilateral protocols on goods with the European Union, Chinese Taipei, and South Korea. ATAR assisted MOCI in December in preparing these bilateral protocols to send to the ambassador via MOFA.

In December, ATAR also assisted MOCI in developing for the WTO a draft consolidated schedule, or list, of specific concessions and commitments for market access for services. This document comprises one of the four elements of Afghanistan's WTO accession package; the other three are the schedule of concessions and commitments on goods, the draft Working Party Report, and the protocol of accession. In the latter half of December, ATAR completed the Dari translation of the consolidated schedule on services for its submission to the Council of Ministers.

During December, ATAR guided MOCI in preparing and sending a request to Japan and Canada for a letter of no-objection to a Most Favored Nation (MFN) exemption for Afghanistan in the area of audio-visual services, which includes motion picture and video production and radio and television services. Last August, the United States and the European Union agreed to grant Afghanistan an exemption to MFN status in audio-visual services. As a result, Afghanistan requires a letter of no-objection to an MFN exemption from Japan and Canada, both of which had signed bilateral protocols and concluded service negotiations with Afghanistan prior to August. An MFN exemption can permit more favorable trade treatment to be given to the country to which the exemption applies than is given to other WTO members.

In support of MOCI's effort to secure a meeting with President Karzai for the WTO Head of the Accession Division and Chairperson of Afghanistan's Working Party to accelerate the adoption of legal reforms, ATAR provided input to MOCI in December on a brief for the President. The summary

highlighted WTO's importance and benefits for Afghanistan, as well as terms of accession and remaining steps, particularly the passage of draft legislation.

Support during ninth WTO ministerial conference

ATAR provided continuous off-site support to an Afghan delegation during its participation in the ninth WTO ministerial conference in Bali, Indonesia, from December 3 through December 6. ATAR's support included verification of the two protocols with Norway and Thailand prior to signing with Afghanistan; review and commenting on speeches and notes and major input to Afghanistan's statements delivered by Deputy Minister of Commerce and Industries Mozammil Shinwari at the plenary session; and legal research concerning a constitutional article related to legislative decrees.

2. Legislative Reforms for WTO Conformity

Afghanistan must bring a number of trade-related laws to international standards to join the WTO. Although concessions are made for least-developed countries such as Afghanistan, WTO members expect full compliance before accession in major legal areas related to trade policy. ATAR is working with GIROA to reform and implement these laws – a lengthy, complex process outlined in the below chart.[1]



[1] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community. Laws that ATAR actively supported with GIROA during the Quarter are Highlighted in Light Blue in the Table.			
No.	**Legislation**	**Responsible Authority**	**Status**
1.	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD)	The draft is under review at the relevant Ministry of Justice (MOJ) legislative department[2]. In December, ATAR assisted MOJ in reviewing articles 1-165 (55 pages) of 208 (75 pages) at MOJ with ACD participation. At the request of the Minister of Justice and to advance the legislation to the MOJ Executive Board[3], ATAR held 11 roundtables[4] in December with MOJ and ACD to explain certain provisions in the law.
2.	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Some fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
3.	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD	The draft has been prepared at ACD and does not need review by MOJ since it is a procedure. Some fine-tuning of article referencing will be required after the draft customs law is adopted. The Minister of Finance will adopt the draft procedure once the draft customs law is adopted.
4.	Law on Standards and Technical Regulations	Afghan National Standards Authority (ANSA)	The draft has been submitted to the ANSA management board for final review in December. In December, ATAR met with the management board with the aim of finalizing the draft for submission to MOJ. Seventeen of 32 articles had been reviewed by the end of December.
5.	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation, and Livestock (MAIL)	The draft is at the MOJ Executive Board. In December, ATAR participated in more than ten meetings of the Executive Board, relevant MOJ legislative departments, the MAIL's Plant and Quarantine Department, and with other stakeholders. The Minister of Justice participated in two meetings. By the end of this reporting period, the draft law was ready to be sent to the Council of Minister in January.
6.	Law on Animal Health and Veterinary Public Health	MAIL	The draft is at MAIL and at the final stage before submission to MOJ. In December, ATAR completed an article-by-article review in working groups with the legal advisor to the Minister of Agriculture. All remaining articles have been reviewed and completed. The draft is ready for submission to the Minister of Agriculture and, subject to his signature, will be submitted to MOJ shortly.

[2] Draft legislation is reviewed at one of seven taqneen, or legislative, departments in the MOJ before submission to the MOJ Executive Board.
[3] The MOJ Executive Board is the last step before submission of the draft to the Council of Ministers. The board is usually chaired by the Director General of taqneen and includes the heads of the seven taqneen departments. For critical and high priority legislation, the Minister participates in the work of the MOJ Executive Board. In many cases, officials from line ministries are invited to provide clarifications regarding proposed legislation.
[4] ATAR defines a roundtable as a meeting comprising at least five persons to explain the purpose and background of the law, familiarize with and improve understanding of WTO requirements and best international practices, share experience of other countries, and answer questions related to the law and provide clarifications on certain provisions. ATAR defines a working group as a meeting where legal and technical discussions/consultations/debates/negotiations are held to review or modify draft legislation.

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community. Laws that ATAR actively supported with GIROA during the Quarter are Highlighted in Light Blue in the Table.			
No.	**Legislation**	**Responsible Authority**	**Status**
7.	Law on Food Safety	Ministry of Public Health (MOPH)	The draft is at MOJ awaiting review by the relevant legislative department. MOPH agreed to proceed with the version reviewed by WTO. ATAR, in cooperation with MOPH and consultation with MOJ, assisted in fine-tuning the Dari version of the most recent version of the draft.
8.	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD	The draft was ready for the Minister of Finance's signature, but ACD's technical director requested the draft be reviewed by the new team at the ACD legal department and the new head of the ACD tariff section. In December, ATAR held eight meetings at ACD to remove inconsistent modifications made by ACD to the draft and to highlight the need for WTO-compliance. These articles appear to have been resolved.
9.	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI	The draft is at MOJ Executive Board for review, but MOJ appears to have inserted unsatisfactory modifications. In December, ATAR drafted a response to these issues with modifications to ensure WTO compliance. After further meetings the questionable articles appear to have been agreed upon. The amended law will be circulated to MOJ ahead of an ATAR meeting to address modifications.
10.	Amendments to the Law on Trade Marks of 1 September 2009	MOCI	The draft is at the Council of Ministers. In December, ATAR followed up with the Council of Ministers' Legislative Committee. The Committee had not yet begun review of this draft.
11.	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC)	The relevant MOJ legislative department completed its review in December, and the draft was being readied for submission to MOJ Executive Board in January. ATAR provided the MOJ legislative department with clarifications regarding provisions in this draft in December.
12.	Law on Geographical Indications	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
13.	Law on Industrial Designs	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
14.	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI	The draft is at MOJ, which forwarded it to the Supreme Court of Afghanistan for its opinion.
15.	Law on Trade Secrets (undisclosed information)	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
16.	Law on Topography of Integrated Circuits	MOCI	The draft is at MOJ awaiting review by the relevant legislative department.
17.	Law on Consumer Protection (provisions on Unfair Competition)	MOCI	The relevant MOJ legislative department completed its review, and the draft law is awaiting submission to the MOJ Executive Board.

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community. Laws that ATAR actively supported with GIROA during the Quarter are Highlighted in Light Blue in the Table.			
No.	**Legislation**	**Responsible Authority**	**Status**
18.	Law on Plant Variety Protection	MAIL	The draft is not prepared. In December, ATAR met with MAIL Deputy Minister Saleem Kunduzi to reactivate the working group to draft the law. ATAR expects work to resume in January.
19.	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ	The draft is at MOJ under review by the relevant legislative department. In December, ATAR held a roundtable with the head of the relevant legislative department and four heads of other legislative departments to discuss the importance of these amendments. The head of the department appeared to understand the legal importance of these transparency amendments. ATAR assisted in drafting a presentation by MOCI Deputy Minister Shinwari to the Economic Committee under the Council of Ministers regarding this matter. The brief addressed the legal necessity for WTO-compliance, benefits to Afghanistan, and possible improvement in Afghanistan's rankings in publications such as the World Bank's "Doing Business Index."
20.	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ	The draft is at MOJ. ATAR had amended the transparency provisions in the regulation to comply with WTO. In addition, ATAR assisted Deputy Minister Shinwari in December in drafting a memorandum to the Economic Committee under the Council of Ministers on the need to approve the amendments to meet WTO requirements and comply with Tokyo Mutually Accountability Framework benchmarks.
21.	Law on Foreign Trade in Goods	MOCI	WTO reviewed the draft and had minor comments. ATAR assisted MOCI in drafting a slightly modified version for submission to the WTO. MOJ is reviewing the slightly amended draft.
22.	Regulations on Import and Export Licensing	MOCI	The draft is finalized at MOCI and ready for submission to MOJ.
23.	Procedure on Customs Storage Fees	ACD	The draft is finalized by ACD and is ready for submission to the Minister of Finance for signature.
24.	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH	In December, ATAR assisted in preparation of an initial draft to amend the 2007 regulations for conformity with WTO rules.
25.	Value Added Tax	Ministry of Finance (MOF)	The draft is at Parliament.

Status of Legislation Necessary for WTO Accession and Integration into the Global Trading Community. Laws that ATAR actively supported with GIROA during the Quarter are Highlighted in Light Blue in the Table.			
No.	**Legislation**	**Responsible Authority**	**Status**
26.	Income Tax Law (concerning unequal treatment of import tax)	MOF	The draft is at MOF. In December, ATAR met on the law with the ACD legal department, ACD Director General Najib Wardak, and ARD officials. ATAR will meet again with ACD Director General Wardak and ACD Technical Director Gul Pacha and ARD Director General Abdul Rahman Mujahid in January to follow up. The inconsistent treatment of import taxes for different categories of companies is not supported by WTO and, moreover, reforms are expected to raise revenue for MOF. ATAR drafted an amended Article 70 to the Income Tax Law of 2008 to address concerns.
27.	Law on Minerals	Ministry of Mines and Petroleum	The draft is at Parliament.
28.	Law on Safeguards Measures for Domestic Protection	MOCI	The draft is awaiting review by the relevant MOJ legislative department..

3. Sustainable Capacity for the Fulfillment of Key WTO Commitments

Support for procedures and regulations for WTO laws

In December, ATAR supported relevant ministries in the development of regulations and procedures that will help GIROA implement WTO-related laws. ATAR developed model legal provisions for use as a basis for initiating working group discussions to develop regulations and procedures related to the law on food safety and the law on animal health and veterinary public health.

MAIL Deputy Minister Aminullah Haidiri requested ATAR review for the WTO and International Plant Protection Convention (IPPC) compliance draft regulations prepared by MAIL for implementing the draft plant protection and quarantine law. The Deputy Minister sent the draft to ATAR, which started translation from Dari to English. The WTO and IPPC set standards for plant health measures and collaborate on plant protection standards under the WTO's Sanitary and Phytosanitary Agreement.

Assistance in strategy for safeguards unit

In December, ATAR assisted MOCI Deputy Minister Shinwari in completing a strategy paper on the establishment of a safeguards unit within MOCI to administer the safeguards law once adopted. The unit will be in charge of applying the rights and limits of the WTO Safeguards Agreement, which allows protection for domestic industries against sudden import surges in exceptional circumstances.

The paper details administrative and office needs, structure, staff, and job and qualification descriptions for each position. The paper will guide MOCI in determining and requesting the allocation of resources and staff for the unit from the Independent Administrative Reform and Civil Service Commission. Under the safeguards law, the unit will have a role to coordinate with other state bodies, such as ACD, MOFA, MAIL, and a private-sector representative.

Support for customs valuation implementation

In December, ATAR provided technical support and guidance to ACD toward adapting the Tariff and Valuation Management Tool (TARVAL) database to the Automated System of Customs Data (ASYCUDA) World, the latest ASYCUDA version. TAFA also provided support in updating and revising the training manual on customs valuation.

TARVAL is a customs valuation database established under TAFA to generate compatible information for ASYCUDA with more security, transparent and auditable processes, and stored historical data.

4. Capacity and Sustainability of the Afghan National Standards Authority

ATAR and ANSA planning

ATAR met with ANSA Deputy Director Dr. Khateer in December to follow up on progress in finalizing the draft law on national standards and technical regulations and to discuss ATAR activities related to ANSA.

ANSA said it was interested in working with ATAR to establish the first certification unit in Afghanistan, establishing a standards training center, developing a database of standards and technical regulations, building awareness and capacity related to standards for the private sector, and developing a financial sustainability plan.

In December, ATAR assisted ANSA to review and proofread the Dari version of the Code of Good Practice. WTO accession requires acceptance of the WTO Agreement on Technical Barriers to Trade, which ensures technical regulations, standards, testing, and certification do not create unnecessary obstacles to trade. The agreement prohibits technical requirements created to limit trade, as opposed to technical requirements created for legitimate purposes such as consumer or environmental protection.

That acceptance includes a separate commitment to accept the standards-development practices laid out in the agreement's Annex 3 (Code of good practice for the preparation, adoption and application of standards). The code of good practice calls for the involvement of the private sector and greater transparency. In support of this, ATAR explained the Code of Practice, including accepted international best practices, and shared with the ANSA the translated Dari code. ATAR is now working with ANSA to review the Dari version and will submit the reviewed document to the ANSA management board for its review and approval.

5. Building Capacity and Sustainability of MOCI's WTO Unit for Post-Accession

ATAR continued to provide on-the-job training and technical assistance to the WTO unit at MOCI in supporting the WTO accession process. Please see item 1 above.

6. Building Analytical Capacity

Work plan for Trade Policy Analysis Unit

ATAR began developing a sustainability and training work plan in December to develop the capacity of nine new staff at the MOCI Trade Policy Analysis Unit (TPAU). The staff of the TPAU was recently increased from three to 12 persons, including three women.

In December, ATAR assisted TPAU in compiling updated Afghan-India trade statistics. As part of its efforts, ATAR conducted a roundtable on December 24 with the TPAU on information and trade statistics and relevant sources to enable the staff to collect relevant data for their daily work. Eight TPAU and ATAR staff attended the roundtable.

ATAR met and discussed the preliminary capacity building and sustainability plan with MOCI's Director General of International Trade Mohammad Rahim Momand in December. The aim was to seek feedback from the Director General to develop the plan.

The TPAU, established with TAFA support, will continue to play a key role in a post-accession environment to support WTO multilateral negotiations and deepen and broaden regional integration as well as sound trade policy.

Priorities for government statistics unit

ATAR will continue work started under the TAFA projects to build the capacity, through formal and on-the-job training, of the statistics units of ACD and MAIL.

The TAFA projects had supported ACD's tariff research and statistics unit in collecting, validating, maintaining, and operating databases of tariff schedules, trade by product, and revenue by customs houses. ATAR started to review work done by this unit since the end of TAFA and identify priorities for further capacity building.

In December, ATAR met with the head of the statistics department at MAIL, who was one of the key people involved in preparation for WTO negotiations on the part of MAIL. He was interested in capacity building for the MAIL statistics department with a particular focus on the development of analytical tools and skills to assess competitiveness of the agricultural sector in Afghanistan and recommend improvements for increasing competitiveness.

7. Building Nationwide WTO Awareness

In December, ATAR assisted in drafting a presentation about WTO and specifically the role of MOJ in supporting the process of moving the WTO accession process forward.

ATAR in addition prepared and provided MOCI with a summary about WTO, its benefits for Afghanistan, and remaining challenges for enabling accession, particularly those related to legal reforms. MOCI intends to share this with the President's administration for facilitating the adoption of draft laws and the visit of Afghanistan's WTO Working Party Chairperson and the Head of WTO Accession Division.

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COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

Central Asia communications plan and introduction

During the quarter, ATAR assisted in the development of a draft ATAR communications plan for its proposed Central Asia operations in partnership with the USAID/Afghanistan mission and taking into account input from the USAID/Central Asian Republics (CAR) mission, USAID/Kyrgyz Republic mission, and USAID country offices in Tajikistan, Turkmenistan, and Uzbekistan.

In addition, ATAR prepared a presentation for introducing ATAR in the four Central Asian countries falling within the scope of ATAR.

1. Afghanistan

Dialogue on the APTTA letter of guarantee

ATAR facilitated discussions between the MOCI and the Ministry of Transport and Civil Aviation regarding the responsible authority for issuing the letter of guarantee for Afghan trucks carrying fresh and dried fruits to access India via Wagah, which lies on the border with India and Pakistan.

In late 2012, Pakistan agreed that Afghan trucks may enter Pakistan and deliver fruit and vegetables to Wagah on the basis of a letter of guarantee issued by GIROA. This decision enables Afghanistan to export its fresh and dried fruit to the lucrative market of India without costly bank guarantees that had originally been required under the Afghanistan Pakistan Transit Trade Agreement.

Protocol of accession of Afghanistan to CBTA Corridor 5

During the reporting period, ATAR learned Afghanistan had re-signed the protocol of accession of Afghanistan to the Cross Border Transport of Persons, Vehicles, and Goods Agreement (CBTA). Afghanistan had signed the agreement in late 2011, but there had been discrepancies between the English and Russian versions and minor changes that required all three contracting parties (Afghanistan, Kyrgyz Republic, and Tajikistan) to sign a new document.

Afghanistan, however, returned to the Kyrgyz Republic a copy of the signed protocol instead of the original. The original must be kept with the MOFA of the Kyrgyz Republic, since it is designated as the repository of the agreement. In addition, the original needs to be returned to the Kyrgyz Republic for the ratification process to be launched.

ATAR conducted a meeting with MOFA on December 29 to discuss two main issues. First, MOFA needs to submit the original copy of the CBTA to the Kyrgyz Republic as soon as possible. Second, MOFA needs to submit the CBTA agreement and accession protocol to the Council of Ministers for approval. The CAREC desk at MOFA submitted the agreement on December 30 to the MOFA's Law and Treaties Department for further processing.

The CBTA aims to facilitate movement of goods, vehicles, and people along Corridor 5 of CAREC, which promotes cooperation and development in Central Asia. The agreement will automatically eliminate a number of barriers, including transshipment for movement of trucks across borders.

ATAR also initiated an analysis for the Kyrgyz Republic as part of the CAR illustrative trade issues matrix. This matrix will include Afghanistan, Pakistan, Tajikistan, Uzbekistan, the Kyrgyz Republic, and Kazakhstan and will cover topics such as trade policies, cross-border issues, bilateral agreements, and trade disputes among the countries.

Launched electronic data interchange

During the reporting period, ATAR began further developing and making necessary revisions to an electronic data interchange node that would allow for better customs-to-customs communications between Afghanistan, Tajikistan, and the Kyrgyz Republic.

The electronic data interchange will allow the transmission of read-only trade/transit information prior to the arrival of the goods to all relevant transshipment, clearance, and entry/exit points in Afghanistan, the Kyrgyz Republic, and Tajikistan. This will prevent tampering with information, facilitate the traceability of goods, and allow effective and timely audits. This will also eliminate discrepancies between the countries' statistical information about transit, import, and export. In addition to increasing cooperation among customs authorities, electronic data interchange reduces corrupt opportunities and smuggling possibilities and provides and supports proper valuation of goods.

2. The Kyrgyz Republic

Introduction of ATAR to the USAID Mission in the Kyrgyz Republic

ATAR's regional manager for CAR was introduced to the USAID/Kyrgyz Republic mission. The regional manager delivered a presentation about planned ATAR activities and operations in Central Asia in general and in the Kyrgyz Republic in particular to a broader audience including Charles Specht (USAID/KR/EDO); Daniyar Ilebaev (USAID/KR/EDO); Bryan Byrne (USAID/CAR/EDO); Zarina Isakova (STATE/KR/POL-ECON); Kristi L. Gruizenga (STATE/KR/POL-ECON); Karen Westergaard (Deloitte/REFORMA); Artyom Zozulinsky (Deloitte/REFORMA); Mark Grubb (Chemonics/LDP); and Nuritdin Dzhamankulov (Chemonics/LDP)

ATAR was well received by the mission in the Kyrgyz Republic. ATAR prepared a note summarizing discussions during the meeting. The ATAR country representative will be mobilized in January or early February.

3. Tajikistan

ATAR introduction and fielding

ATAR's regional manager for Central Asia met with Jenna Tajchman, who was the USAID point of contact under TAFA II for Tajikistan, to discuss ATAR and priorities of the USAID country office. The ATAR regional manager prepared a note summarizing the meeting.

ATAR's country representative for Tajikistan arrived in country on December 18 and was introduced to the USAID/Tajikistan Country Office. ATAR's regional manager delivered a presentation about the planned activities and operations in Central Asia in general and in Tajikistan in particular to an audience including Katie McDonald (USAID/TJ); Erin Ricci (USAID/TJ); Jenna Tajchman, (USAID/TJ); Eric

Salzman, (STATE/TJ/POL-ECON); Myasar Kozieva (STATE/TJ/Drugs and Narcotics); Eric Steven (STATE/Civil Military Support); and Steven Award (STATE/Civil Military Support).

ATAR prepared and submitted an official letter introducing ATAR to the Tajik Government in English and Tajik and submitted it to the USAID Tajikistan country office. USAID will officially submit the letter to ATAR's Tajik government counterparts through a diplomatic note to the Tajik MOFA. Upon receipt of this note by counterparts, USAID Tajikistan and ATAR will arrange official introductory meetings with high-level government officials.

ATAR's country representative met with the executive director of the American Chamber of Commerce in Tajikistan to discuss collaboration with ATAR in building relationships with the private sector of Afghanistan and Tajikistan. ATAR prepared a note summarizing the discussion.

ATAR's country representative met with the deputy chairman of the Tajikistan Chamber of Commerce and Industry to discuss the memorandum of understanding for the proposed Joint Business Council. ATAR prepared a note summarizing the discussion.

ATAR met informally with the head and deputy head of the International Cooperation Unit for the State Customs Service to plan for a meeting between Afghan and Tajik customs officials and to progress discussions on memorandums of understanding and a mutual assistance agreement regarding customs in the two countries.

ATAR also procured a license for the database of Tajik laws and policies and initiated the analysis for the CAR illustrative trade issues matrix.

COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. Tax Administration

Value-added tax work plan

ATAR's VAT program manager arrived in December and focused on drafting a work plan for the first year of ATAR. ATAR's VAT program manager conducted a series of meetings with relevant stakeholders to obtain their input to the ATAR work plan.

In the first half of December, ATAR met with the Deputy Minister of Finance Gul Maqsood Sabit to discuss project priorities in technical areas as agreed between USAID and ATAR; with the USAID trade team to discuss steps taken to eliminate duplication of work between USAID and DFID; and with the DFID-sponsored TAP team to discuss areas for collaboration. ATAR also reviewed the TAP VAT implementation plan, the final VAT stakeholder management plan, the TAP VAT implementation risk management plans and supporting matrix, TAP VAT campaign plan, and the TAP VAT compliance strategy document.

After meeting with the TAP team, ATAR issued a summary of possible work areas to TAP that were critical to informing the final VAT work plan under the project. However, ATAR met with ARD Director General Mujahid in late December, and he stated an expectation to review ATAR project financing and would not agree to have ATAR liaison with TAP or develop the ATAR VAT work plan until his condition was met. He said he will present ATAR with an outline of his specific requirements, but he did not commit to a timeframe. Director General Mujahid directed ATAR to have no further contact with TAP until he gives permission. ATAR's VAT manager was unable to complete the VAT work plan without Director General Mujahid's support.

2. Customs Reform

Due to visa delays described above, the ATAR customs reform manager also arrived in mid-December. He and his local team reviewed TAFA deliverables and supporting documents and began developing a draft work plan for the customs section.

The ATAR customs reform team joined the VAT team in its meeting, mentioned above, with the Deputy Minister of Finance Sabit. ATAR also met with ACD Director General Najib to introduce the ATAR team and discuss priorities for the first year of ATAR. ATAR held a series of meetings with the Director General to develop the work plan throughout December, and he welcomed the support of ATAR.

ATAR also met with the United Nations Office for Project Services (UNOPS) customs project, funded by the World Bank, and discussed collaboration and support. ATAR and UNOPS agreed on weekly meetings to coordinate activity. ATAR also met with various ACD directors to determine priority activities in each area.

ATAR INDICATOR TABLE

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achieve-ment (Q1)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter	GIROA	Annual	$9.3 billion in 1391 excluding transit (Central Statistics Organization (CSO) report)	Will be reported by end of 1392	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit) Calculation: Total value of export, import, and transit in a year
2	Value of gross domestic product (GDP)	Outcome/Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	$ 21 billion in 1391(CSO report)	Will be reported by end of 1392	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year. **Note**: Based on Central Statistics Office report, the total value of Afghanistan GDP in 1391 was Afs 1,085,766 million = USD 21 billion. **Disaggregation by Sector**: • Services = US$ 10.5 billion • Agriculture = US$ 5.3 billion • Industry = US$ 4.3 billion • Construction = US$ 1.5 billion • Mines and Quarry = US$ 195 million
3	Ratio of foreign trade in GDP	Outcome/Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank report)	Will be reported by end of 1392	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/Impact Required by Prime Contract	Commodity group; month, quarter	ACD and CSO	Annual	$123,500	Will be reported by end of 1392	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achieve-ment (Q1)	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/Impact	Product, countries	GIROA	Annual	ACD = $307 million in 1391 CSO = $414.5 million in 1391	Will be reported by end of 1392	Tracking only	Tracking only	Value of export here refers to the total value of Afghan licit goods and services sold in the foreign country or countries. **Note:** based on CSO report, the total value of Afghanistan export in 1391 (2012 – 2013) was USD 414.5 million. This composed of dried fruit 27%, Carpet 11%, medicine botanies 6%, Skin 4%, fresh fruit 3% and others 38%
6	Value of imports	Outcome/Impact	Product, countries	GIROA	Annual	ACD = $7.464 billion in 1391 CSO = $8.9 billion in 1391	Will be reported by end of 1392	Tracking only	Tracking only	Value of import refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable import only. **Note:** Based on CSO trade statistic report, the total value of import in 1391 (2012 – 2013) was USD 8.9 billion. The total value of import in 1391 was composed of Petroleum 20%, Machinery and Equipment 15%, Metals 11% and others 54%.
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2014)	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators on business regulations and the protection of property rights compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2014 report, Afghanistan is ranked 184 out of 189 countries

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achieve-ment (Q1)	Year 1 Target	Life-of-Project Target	Notes
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	164 (Doing Business Annual Report 2014)	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. Based on the 2014 report, Afghanistan is ranked 164 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
9	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	1	20 trainings/ 200 partici-pants	80 trainings/ 800 participants	Training is defined as an ATAR-led training activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator is reported by training type, target group, gender, and person days of training.
PIR 1.1: WTO accession process finalized										
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output	Ministry partner	Project records and MOCI	Quarterly	0	0	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator will capture progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; and 4) Parliament
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/Impact	Ministry partner	Project records	Quarterly	0	1	4	10	Acceding to the WTO requires the establishment of new institutions related to customs, trade, and other areas. This indicator captures institutional reforms supported by ATAR in Afghanistan w.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achieve-ment (Q1)	Year 1 Target	Life-of-Project Target	Notes
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output	Ministry partner	Project records and MOCI	Quarterly	0	0	4	12	This indicator captures the number of new draft laws and sublegal acts prepared by the working group at the Ministerial level with ATAR support. This mainly refers to the first draft finalized at the Ministerial level by working groups.
PIR 1.2: WTO implementation process developed and executed										
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	0	12	60	A public event is defined as a major ATAR-led and/or supported trade-related activity such as conference, seminar, coordination meeting, working group meeting, trade-related fair, roundtable session, consultative process, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, and other key trade gathering.
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarterly	0	0	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation will be captured under this indicator.

No.	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Year 1 Achieve-ment (Q1)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	0	8	50	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator Output	Province	Project records	Quarterly	0	1	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and other trade opportunities.
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/Impact Requested by USAID	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements. During the first three years, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan and build the capacity of this unit. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.

PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
18	Change in public perception toward trade	Outcome/Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey		10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders. The survey will be conducted at the start of the project to collect baseline information and annually thereafter targeting the same group
PIR 2: Regional and global integration enhanced										
19	Number of launched or signed initiatives on regional integration	Output	Type of initiative	Project records and MOCI	Quarterly	0	0	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support.
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/gender	Project Record and Export Promotion Agency of Afghanistan (EPPA)	Monthly	0	0	80	400	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: 66,851Imports 2,734 Exports Torqundi: Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175, 770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported by end of 1392	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
22	Growth in customs revenue (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Per border crossing	ACD	Annual	$894 million in 1391	$ 640.5 million in first nine months of 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. **Note:** based on MoF Performance Report, the customs revenue for the first nine months of 1392 is Afs 36.1 billion = US$ 640.5 million
23	Percent increase in tax collection	Outcome/Impact USIAD requested indicator	Revenue source	ACD	Annual	TBD	Will be reported by end of 1392	TBD	TBD	This indicator captures the percentage increase in volume of tax collection in Afghanistan.
24	Percentage of government revenue collection in GDP (excluding foreign grants)	Outcome/Impact Required by Prime Contract	Revenue source	ACD and project records	Annual	5.5% in 1390	Will be reported by end of 1392	Tracking only	Tracking only	Revenue is cash receipts from taxes, social contributions, and other revenue such as fines, fees, rent, and income from property or sales.

25	Non-tax revenue increase	Outcome/Impact Required by Prime Contract	Revenue source	ACD	Annual	TBD	Will be reported by end of 1392	Tracking only	Tracking only	The revenue obtained by the government from sources other than tax is called non-tax revenue. The major sources of non-tax revenue are fees, fines and penalties, surplus from public enterprises, grants, etc.
26	Change in public perceptions toward VAT	Outcome/Impact Required by Prime Contract	Gender, region, age	Survey	Annual	TBD in perception Survey	TBD in perception Survey	15% increase	40% increase	ATAR will work with a grantee or subcontractor to develop a VAT campaign for outreach on media issues, testing messages with stakeholders, including business organizations, civil society, and taxpayers, particularly women-owned businesses. ATAR will conduct a perception survey at the start of the project to determine public perception on VAT.
27	Number of permanent professional positions allocated for women within ACD	Outcome/Impact	Gender, age, education level	ACD	Quarterly	77	0	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.
28	Number of female interns completing a six-month internship in ACD	Outcome/Impact	Gender, age, education level	ACD	Quarterly	20	0	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.
29	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Quarterly	0	0	TBD	TBD	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40.

PIR 3.1. Capacity of the Afghan Revenue Department to generate revenue through VAT implementation enhanced										
30	Percent of audit cases selected using risk-based criteria	Outcome/Impact Required by Prime Contract	Province	Large Taxpayer Office (LTO)/ACD records	Quarterly	0	0	TBD	TBD	This indicator refers to the proportion of audit cases started in a year that have been selected using prescribed risk-based selection criteria (for example, declared outputs less than declared inputs/ input tax greater than output tax/ tax performance ratio lower than trade sector average)
31	Number of VAT audits conducted	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	Under this indicator, the project will report the number of VAT audits started and finalized in the year.
32	Share of cases yielding additional assessment (revenue) to cases selected for audit	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	This indicator captures the proportion of cases selected for audit that have yielded additional revenue assessments (in other words, the auditor has uncovered errors or under-declarations that produce extra tax).
33	Percentage of amount assessed through tax audit which is actually collected	Outcome/Impact Required by Prime Contract	Province	LTO records	Quarterly	0	0	TBD	TBD	This indicator measures the actual amount of "extra" assessed tax that is collected in the year. It implies the efficiency of debt management procedures is being measured along with the accuracy/sustainability of assessments raised during the audit.
34	Number of U.S. government supported training events related to implementation of the VAT	Operational Plan Indicator/Output Required by Prime Contract	Province	Project records	Quarterly	0	0	TBD	TBD	Training refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on VAT.
35	Number of tax officers trained	Output Required by Prime Contract	Gender	Project records	Quarterly	0	0	TBD	TBD	This indicator will capture the number of tax officers trained on VAT or other tax related topics.
36	Ratio of VAT revenue to total tax revenue	Outcome/Impact Required by Prime Contract	Province	LTO records	Annual	0	0	Tracking only	Tracking only	This indicator captures the percent of VAT generated revenue to total tax revenue

PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved										
37	Average Customs processing time (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Will be reported next quarter	TBD based on number of steps removed	TBD based on number of steps removed	This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.
38	Number of documents/procedures required to import and export	Outcome/Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10, import 10, export	10, import 10, export	TBD	TBD	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2014 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
39	Time to export and import	Outcome/Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85, import, 81, export (World Bank Doing Busin-ess report 2014)	85, import, 81, export (World Bank Doing Busin-ess report 2014)	TBD	TBD	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2014 report, Afghanistan requires 85 days for import and 81 days for export while the average time required for South Asia is 33 days for import and 34 days for export.

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FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

Quarterly Report
October-December 2015



Jan. 31, 2016

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ACRONYMS

ABADE	Assistance in Building Afghanistan by Developing Enterprises
ACCI	Afghanistan Chamber of Commerce and Industry
ACD	Afghan Customs Department
ADBL	Association for Development of Business Logistics
AEO	Authorized Economic Operator
ANCA	Afghanistan National Customs Academy
ANSA	Afghanistan National Standards Authority
APTTA	Afghanistan-Pakistan Transit Trade Agreement
APTTCA	Afghanistan-Pakistan Transit Trade Coordinating Authority
ARD	Afghanistan Revenue Department
ASI	Adam Smith International
ASYCUDA	Automated System for Customs Data
ATAR	Afghanistan Trade and Revenue Project
AWBF	Afghan Women Business Federation
BCP	Border Crossing Point
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CATF	Central Asia Trade Forum
CBTA	Cross-Border Transport Agreement
CCC	Customs Consultative Council
CHAMP	Commercial Horticulture and Agriculture Program
CSO	Central Statistics Organization
DAB	Da Afghanistan Bank
ECO	Economic Cooperation Organization
EIF	Economic Integration Forum
E-Pay	Electronic Payment
EPAA	Export Promotion Agency of Afghanistan
EU-BOMNAF	European Union's Border Management Northern Afghanistan
FAIDA	Financial Access for Investing in the Development of Afghanistan
FICCI	Federation of Indian Chamber of Commerce and Industries
GAIN	Global Alliance for Improved Nutrition
GIROA	Government of the Islamic Republic of Afghanistan
HKIA	Hamid Karzai International Airport
ICD	Inland Clearance Depot
ICU	Internal Compliance Unit
LDC	Least Developed Country
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MOCI	Ministry of Commerce and Industries
MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOTCA	Ministry of Transportation and Civil Aviation
MOPH	Ministry of Public Health
MOU	Memorandum of Understanding
NAEC	National Agriculture Education College
PCA	Post Clearance Audit
PSU	Professional Standards Unit
RADP-S	Regional Agricultural Development Program-South
RADP-W	Regional Agricultural Development Program-West

REC	Regional Economic Cooperation project
RKC	Revised Kyoto Convention
SAFTA	South Asian Free Trade Area Agreement
SOP	Standard Operating Procedure
TFA	Trade Facilitation Agreement
TIR	Transports Internationaux Routiers
TPAU	Trade Policy Analysis Unit
UAE	United Arab Emirates
WCO	World Customs Organization
WTO	World Trade Organization

A. PROJECT OVERVIEW

Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global trading market. ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is based in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support regional customs activities as well as a presence in Tajikistan, Kyrgyzstan, Turkmenistan, and Uzbekistan to strengthen Afghanistan's ties in Central Asia. ATAR also supports the Afghan government and Afghanistan's traders in improving linkages with India and Pakistan.

In order to help Afghanistan fulfill its trading potential, ATAR is assisting the government to integrate Afghanistan into the international trading community through membership to the World Trade Organization (WTO), helping the country take advantage of its position on the famed Silk Road, and revamping its customs procedures to reap the full benefits of regional and international trade. This improved business climate will pave the way for private investment, enhanced trade, job creation, and fiscal sustainability in the country.

ATAR is achieving its goal with its institutional partners through three components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to the WTO. This support is accomplished by building capacity and providing technical assistance within implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will attract investment and enable the private sector to grow.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with countries such as Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan.

Component 3: Improved Customs Administration

Component 3 will enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

B. EXECUTIVE SUMMARY

Component 1: Support Trade Policy Liberalization

Key Achievements

With ATAR support, Afghanistan reached two major milestones and neared completion of its journey toward WTO accession. Following briefings and a series of papers by ATAR and the Ministry of Commerce and Industries (MOCI), President Ashraf Ghani gave approval for Afghanistan to conclude WTO accession negotiations in 2015. ATAR and MOCI worked to prepare for Afghanistan's fifth and final Working Party meeting at WTO headquarters in Geneva, Switzerland. During the meeting in November, WTO Working Party members agreed by consensus, *ad referendum*, on the terms of Afghanistan's accession. The WTO then formally approved the package during its 10th Ministerial Conference in December in Nairobi, Kenya. Afghanistan will have until June 2016 to formally accept the protocol of accession and will formally become a member 30 days after it notifies the WTO of its instrument of acceptance.

With ATAR's continuous assistance and the support of the President's office, the Afghan government made significant headway in reforming Afghanistan's trade-related legislation to meet WTO requirements and deadlines. ATAR provided support to the government as the laws proceeded from stage to stage and detailed responsibilities of each ministry over the next six months in the area of legal reform. Among the achievements in the legal reforms, the Council of Ministers and the Cabinet approved the Law on Consumer Protection; the Law on Industrial Design advanced to the Lower House of Parliament; the Law on Food Safety proceeded to the Cabinet; the Council of Ministers approved the Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts, which have been sent to the Cabinet for approval; and the Law on Protection of Trade and Industry Secrets advanced to the Council of Ministers.

Constraints

The acceptance by Afghanistan of the WTO protocol of accession was initially anticipated to occur at the end of 2016 instead of June 30, 2016. Given the tight timeframe, limited resources, and increased security concerns, the project expects major challenges in the coming months in providing proper support in a timely fashion.

Component 2: Facilitate Enhanced Access to Regional Markets

Key Achievements

In an effort to increase awareness of Afghanistan's exports and promote involvement of women in trade, ATAR partnered with UN Women to support the participation of 16 Afghan businesswomen in the 36th India International Trade Fair. The women reported selling around $1 million of their products to Indian buyers, and the event generated potential deals of more than $2 million. ATAR also held events to help traders network, resolve challenges, and learn about new opportunities, including a seminar to encourage the involvement of women in trade, a forum to educate traders about the global supply chain, and a workshop to raise awareness of the Transports Internationaux Routiers Convention.

ATAR continued work in Central Asia toward strengthening trade relationships. ATAR facilitated the participation of 24 Afghan businesses and an Uzbek customs official in the Central Asia Trade Forum in Kazakhstan. More than 600 participants from eight different countries participated in the event. In addition, ATAR organized a study tour for six Afghan participants to a flour mill and food processing facility and organized meetings between Pakistani and Afghan businesses. ATAR continued supporting the Cross-Border Transport Agreement and WTO Trade Facilitation Agreement ratification in Kyrgyzstan. ATAR further promoted the introduction of an Authorized Economic Operators program and advanced work on integrated border management in Tajikistan. ATAR also launched a trade route mapping study for linking Uzbekistan with open seas southward and India.

Constraints

The Turkmen and Uzbek governments are only open for very limited activities with very lengthy bureaucratic procedures. Constant changes in Central Asian governments and associated formalities for re-introducing project activities have caused delays in certain activities.

Component 3: Improved Customs Administration

Key Achievements

The Afghan Customs Department (ACD) officially launched electronic payment, or E-Pay, of customs duties in Mazar-e Sharif with ATAR support. Traders in both Kabul and Mazar-e Sharif can now pay their customs duties electronically through any commercial bank instead of only through cash. In order to spread awareness of initiatives such as E-Pay and inform traders and taxpayers of their rights and obligations, ACD and the Afghanistan Revenue Department (ARD) formally agreed to launch a trader and taxpayer awareness program in early 2016.

In addition, ATAR progressed development of ACD's Post Clearance Audit (PCA) Department through a series of workshops and training. The PCA working group completed the profiling of 20 companies, which will be subject to audits starting in 2016. In a move that would further strengthen trade compliance, the Deputy Minister of Finance indicated his full support for ATAR's proposal to establish an Internal Compliance Unit and Professional Standards Unit.

Constraints

Security concerns regarding ACD prevented ATAR's expatriate staff from embedding at the site. The staff conducted short visits and meetings at ACD where possible and relied as necessary on local ATAR staff who continued to work at ACD with intermittent security restrictions. ATAR's Component 3 also saw the departure of four key national staff members – two who departed for the United States on Special Immigrant Visas, one who left for another USAID project, and one who joined ACD as Director of Operations.

C. COMPONENT 1: TRADE POLICY LIBERALIZATION

1. Support the WTO Accession Process

President Ghani Gives Approval to Proceed with WTO Accession

In early October, MOCI and ATAR worked to gain approval from President Ghani to resume and conclude the WTO accession process. Minister of Commerce and Industries Humayoon Rasaw, Deputy Minister Mozammil Shinwari, and ATAR met with President Ghani and his advisors to discuss WTO commitments, benefits, and challenges and provide clarifications regarding numerous specific concerns by the President. President Ghani expressed his support for WTO accession and agreed to move forward with concluding WTO accession negotiations in 2015.

A Quarter of WTO Milestones

Afghanistan neared the end of its long journey toward WTO accession during a remarkable quarter:

- In October 2015, President Ghani gave approval to conclude WTO accession negotiations.
- In November 2015, an Afghan delegation attended its fifth and final Working Party meeting in Geneva, Switzerland. During the meeting, WTO Working Party members approved Afghanistan accession package by consensus, *ad referendum*.
- In December 2015, an Afghan delegation attended the WTO's 10th Ministerial Conference in Nairobi, Kenya. At the meeting, the WTO formally adopted Afghanistan's terms of accession.

In support of the interactions with the President's office, ATAR assisted MOCI in preparing and providing numerous papers, including: 1) a 10-page summary covering WTO status and merits of accession, regional implications, government procurement, and competitiveness; 2) a note on the road to the Nairobi Ministerial Conference; 3) a note on WTO and manufacturing in Afghanistan; 4) a note on the dispute settlement process and transit; 5) a note on benefiting from WTO membership; 6) Afghanistan's legislative action plan; 7) WTO rules and commitments of Afghanistan; 8) detailed clarifications on commitments; 9) a list of unbound industrial goods; 10) a list of agricultural goods with high bound rates; 11) a list of prohibited goods; 12) the services schedule; 13) a list of WTO agreements and understandings; 14) talking points for the MOCI Deputy Minister; and 15) talking points for the MOCI Director General of International Trade.



In a major development, President Ghani agreed to move forward with concluding WTO accession negotiations in 2015.

Following President Ghani's approval to move forward with WTO accession negotiations, ATAR facilitated the resolution of remaining outstanding negotiations issues and assisted MOCI and the WTO Secretariat in updating and finalizing Afghanistan's Draft Working Party Report, which was disseminated to WTO Working

Party members in October along with three other documents of the accession package: the protocol of accession, the schedule of concessions and commitments on goods, and the schedule of specific commitments on services.

Afghanistan's Accession Package Adopted at Fifth Working Party Meeting

On Nov. 11, an Afghan delegation, led by Minister Rasaw, attended the country's fifth and final Working Party meeting at WTO headquarters in Geneva, Switzerland. During the meeting, WTO Working Party members adopted Afghanistan's accession package by consensus, *ad referendum.* ATAR accompanied the Afghan delegation and provided guidance to the group during the Working Party meeting. ATAR also provided significant input on the opening remarks of Minister Rasaw and closing statement of Deputy Minister Shinwari.

> "I would like to assure you that Afghanistan is committed to play by the rules of the multi-lateral trading system. We view adherence to WTO agreements as critical for strengthening the rule of law, increasing transparency and building the foundation for sound economic development in Afghanistan."
> *– Minister of Commerce and Industries Humayoon Rasaw in Geneva, Switzerland*

Following the Nov. 11 meeting, ATAR prepared an action plan for commitments to be implemented by the date of accession covering legal reforms, notifications, service commitments, import and export tariff schedule, and ratification of the WTO accession package by the Afghan parliament and notification of the instrument of ratification to the WTO. In addition, the action plan included other priorities such as WTO Trade Facilitation Agreement (TFA) ratification, preparation for Agreement on



Mr. Roderick van Schreven, the Chairperson of Afghanistan's Working Party, speaks (top); the Minister and Deputy Minister of Commerce and Industries heads the Afghan delegation (center); the Working Party poses at its fifth and final meeting (bottom).

Government Procurement accession, establishment of a single national enquiry and notification point, establishment of a Geneva representation office, and acceleration of preparation of laws on anti-dumping and countervailing.

WTO Formally Adopts Afghanistan's Package at Nairobi Ministerial Meeting

On Dec. 17, an Afghan delegation led by First Deputy Chief Executive Officer Mohammad Khan and Minister Rasaw attended the WTO's 10th Ministerial Conference in Nairobi, Kenya. At the meeting, the WTO formally adopted Afghanistan's terms of accession.



Afghanistan's First Deputy Chief Executive Officer Mohammad Khan (center left) and WTO Director-General Roberto Azevêdo (center right) pose at the WTO's 10th Ministerial Conference following the WTO's adoption of Afghanistan's accession package.

ATAR supported the participation of the Afghan delegation in the 10th Ministerial Conference and provided guidance regarding protocols and formalities. ATAR provided significant input for the opening remarks by the First Deputy Chief Executive Officer, the talking points by Minister Rasaw at the donor's meeting organized by the WTO Secretariat on behalf of Afghanistan, and Afghanistan's statement delivered by Deputy Minister Shinwari at the plenary session. ATAR also provided input for Chief Economic Advisor Omar Zakhilwal's participation in a roundtable concerning Least Developed Countries (LDCs) held on the margins of the conference. ATAR further supported Afghanistan in compiling lists of technical assistance needs that were circulated during the donor's roundtable.

> "Today is a historic day for the people of Afghanistan who have embraced democratic values and market economy principles."
> *– First Deputy Chief Executive Mohammad Khan in Nairobi, Kenya*

Afghanistan's accession package will first have to be approved by the Council of Ministers, then head to Afghanistan's Lower and Upper Houses of Parliament for ratification, and finally be signed by President Ghani. ATAR began assisting in the translation of the accession package into Dari and Pashto and readying the package for acceptance and ratification. Afghanistan will have by June 2016 to formally accept the protocol of accession and will formally become a member 30 days after it notifies the WTO of the instrument of acceptance. At that time, Afghanistan will join a global trading organization that accounts for about 95 percent of the world's commerce.

ATAR supported MOCI in developing an action plan for instructing each ministry and state body to undertake priority reforms during the next six months. The action plan was endorsed by Chief Executive Officer Abdullah Abdullah and disseminated to relevant ministries. ATAR and MOCI followed up with various ministries to promote timely implementation of action items.

2. Support Legislative Reforms for WTO Conformity



The Afghan government must reform and amend a wide array of legislation to conform to WTO rules and Afghanistan's commitments. This lengthy, complex process is presented in simplified form in the chart.[1]

These diverse laws cover every aspect of a modern, vibrant trading regime – including customs reform, trade facilitation, intellectual property rights, food safety, and standardization. Throughout the quarter, ATAR continued to assist the Afghan government at every stage of the legislative process from line ministry to Parliament.

The table on the following page provides the status of WTO-related legislative items as of the end of December. ATAR's active areas of support for the quarter are highlighted in light blue. Among the highlights of the quarter:

[1] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

- The Council of Ministers and the Cabinet approved the Law on Consumer Protection with minor changes. Following translation of the law into Pashto, MOJ will send the law to Parliament.
- The Law on Industrial Designs advanced to the Lower House of Parliament.
- The Council of Ministers approved the Law on Food Safety, and the law proceeded to the Cabinet.
- The Council of Ministers approved the Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts, which have been sent to the Cabinet for approval.
- The Law on Protection of Trade and Industry Secrets advanced to the Council of Ministers.

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[2] 2. Ministry of Justice 3. Council of Ministers/Cabinet[3][4] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[5]
1	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	In October 2015, the Legislative Committee of the Council of Ministers held a session under the Second Vice-President. The Second Vice-President instructed that, based on a decree of President Ghani to review trade-related laws submitted under President Karzai's administration, stakeholders should review the law again and resend it to the Legislative Committee of the Council of Ministers. Subsequently, the Minister of Finance's committee on customs law began reviewing the amendments. The committee is expected to send its feedback to MOJ in early 2016.	Ministry of Finance	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	The Ministry of Finance adopted the procedure in July 2015.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA)	In July 2015, ANSA's management board approved the draft and sent it to MOJ. In October 2015, MOJ sent the law back to ANSA due to its full schedule. Following the Nairobi conference in December 2015, MOCI	Sponsoring Ministry	Yes[6]

[2] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.

[3] Under the National Unity Government, there is a Council of Ministers and a Cabinet. The Council of Ministers is chaired by Chief Executive Officer Abdullah, and the Cabinet is chaired by President Ghani.

[4] Regulations go to the Council of Ministers and do not proceed further.

[5] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

[6] Although not on the 1393 or 1394 agenda, MOJ has agreed to consider the draft Law on Standards and Technical Regulations.

		Sayed Hashimi Farhat Farhat	sent a letter to ANSA to re-send the law to MOJ so MOJ can prioritize it as per the instruction of Chief Executive Officer Abdullah.		
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	In June 2015, the Upper House of Parliament approved the draft law. In July 2015, the law was submitted to the President for signature.	President	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	During the quarter, MOJ continued a technical review of the law with ATAR support. Once the review is finalized, the law will proceed to MOJ's Executive Committee.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	On Nov. 29, the Council of Ministers approved the law with minor changes. MOJ incorporated the Council of Ministers' revisions and sent it to the Cabinet for further legislative processing. ATAR is following up to get the law passed by the Cabinet.	Cabinet	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure in April 2014.	Entered into force	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	In December 2015, MOJ requested that MOCI review comments of stakeholders and submit the amendments to MOJ after the review. ATAR is supporting MOCI in its review.	Sponsoring Ministry	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In February 2015, the President endorsed the law. In May 2015, the law was published.	Entered into Force	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	During the quarter, ATAR assisted MOJ in determining which Afghanistan Development and Peace Research Organization's (ADPRO) amendments violated WTO requirements. ATAR determined that most amendments suggested by ADPRO were in contradiction with WTO. MOJ invited stakeholders to discuss the issues. Participants decided those parts of ADPRO's amendments not in contradiction with WTO shall be included in the draft law. MOJ, MOIC, and ATAR are working to incorporate these points.	Ministry of Justice	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	The President endorsed the law on Aug. 4, 2015, and it was published in the official gazette on Aug. 17, 2015.	Entered into Force	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	In November 2015, the draft law was submitted to the Lower House of Parliament.	Parliament	Yes

14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	In June 2015, the Supreme Court submitted the amendments to MOJ with comments and modifications.	Ministry of Justice	Yes
15	Law on Protection of Trade and Industry Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	In October 2015, ATAR assisted in reviewing the draft for WTO compliance. In December 2015, MOJ resent the draft to the Council of Ministers.	Council of Ministers	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	In April 2015, ATAR succeeded in including the law in MOJ's legislative plan. The law is scheduled for review in the fourth quarter.	Ministry of Justice	Yes
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Agha Hashimi Polly Maier	In October 2015, the Council of Ministers approved the draft with a minor change, and, in December 2015, the Cabinet approved the draft with minor changes. Following translation of the draft into Pashto, MOJ will send the law to Parliament.	Cabinet/Council of Ministers	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	Finalization of the draft at MAIL is pending decision by the Minister of Agriculture, Irrigation and Livestock.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In November 2015, MOJ's Legislative Committee approved the amendments. The draft is awaiting approval by MOJ's Executive Committee.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	In November 2015, MOJ's Legislative Executive Committee finished its review and agreed with the amendments. In late November, MOJ invited relevant ministries to provide comments; all the ministries agreed to the amendments. In December, MOJ sent the draft to the Council of Ministers, which approved draft. In late December, MOJ sent the amendment to the Cabinet for approval.	Council of Ministers/Cabinet	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	MOJ's Trade and Private Sector Department finished its technical review. The draft is awaiting approval of MOJ's Executive Committee.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	MOCI finalized the draft, which will be adopted once the Law on Foreign Trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature. MOCI, with ATAR support, requested ACD's former Director General act on the draft. ACD management changes have delayed signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	On Aug. 30, 2015, ATAR assisted MOCI in sending a letter to MOPH highlighting parts of the regulations inconsistent with WTO and requesting a reduction of fees for producers so the fees match those charged importers; this would comply with WTO and eliminate discrimination between producers and importers.	Sponsoring Ministry	N/A

			On Oct. 3, 2015, ATAR met the MOPH's Pharmacy Department and explained those parts of the regulations inconsistent with WTO requirements. MOPH's Pharmacy Department said it would take those parts into account while preparing changes to the regulation. ATAR followed up on this several times this quarter.		
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzaad Farhat Farhat	ATAR followed up with MOCI several times this quarter to request MOF move forward with the law. ATAR intends to meet with the Deputy Minister of Finance to discuss finalizing and sending the law to MOJ.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	In October 2015, MOJ returned the draft to MOCI with comments. ATAR provided technical assistance to MOCI to address the comments. MOCI resent the draft to MOJ, and it is now under technical review of MOJ's Economic and Finance Department.	Ministry of Justice	Yes
Legislative items not prepared with ATAR support					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entered into Force	Yes

3. Support Implementation of WTO Laws and Commitments

3.1 Intellectual Property Rights

Copyrights Law

ATAR worked to support implementation of the Law on Copyrights by delivering an awareness workshop to 40 publishers in November. ATAR explained intellectual property, copyrights, the copyright law, copyright registration, and copyright infringements. MOIC invited the media, and Afghanistan's National TV broadcast the workshop and Kabul Times and Hewad Daily News published news of the workshop.



ATAR provides training on copyrights to 40 publishers at the Ministry of Information and Culture.

Membership in Intellectual Property Conventions

ATAR followed up on the ministerial processing of Afghanistan's proposed membership to the Paris Convention, Madrid Protocol and Singapore Treaty. MOCI sent the three international documents by official letter to the Ministry of Foreign Affairs (MOFA) in August, and MOFA asked MOJ and MOIC to comment on the documents in September. MOJ provided its comments, while MOIC had not. Upon ATAR's urging, MOIC sent comments to MOFA by mid-November.

In December, ATAR assisted MOFA in preparing notes about the benefits of the three conventions. Meanwhile, MOFA asked ATAR to translate all three conventions into Pashto. ATAR finished translation of the Paris Convention and Madrid Protocol by December 2015 and will finalize the translation of the Singapore Treaty by January 2016.

ATAR also followed up on the ministerial review of the Berne Convention. In the middle of 2015, the Council of Ministers requested MOFA send the convention to MOJ for review. MOJ confirmed the convention is not in contradiction with the Constitution of Afghanistan and other laws and requested the Ministry of Finance review an article on budget issues and membership payment. The Ministry of Finance provided its review. MOFA subsequently sent the documents to the Council of Ministers for approval and requested ATAR translate the convention into Pashto. ATAR sent the translated convention to MOFA in November.

As part of WTO membership, Afghanistan is expected to join these intellectual property conventions.

3.2 Sanitary and Phytosanitary Measures

Law on Food Safety



ATAR-supported food hygiene trainers from government and academia observe best practices at a Kabul-based meat processing company.

ATAR continued to support awareness of requirements under the Law on Food Safety to help enable implemenation of the law. In October, ATAR facilitated a visit to a local meat processing company for 10 participants of the project's train-the-trainers food hygiene sessions held in September. The participants toured the company's kitchen and restaurant facilities and observed best practices in action.

Throughout October, ATAR supported the trainers who participated in the project's

September food hygiene training. On Oct. 4, ATAR supported an MOCI trainer in holding a food hygiene training for nine MOCI staff. On Oct. 5, ATAR supported a National Agriculture Education College (NAEC) trainer in conducting the training for 33 NAEC students. On Oct. 6, ATAR supported an MOPH trainer who provided the training to 20 MOPH staff. On Oct. 7, ATAR supported a trainer from Kabul Univeristy Faculty of Agriculture in presenting the training to 18 Faculty of Agriculture students.

ATAR also conducted a needs assessment for establishing a Food Safety Control Authority in MOPH. The needs assessment describes the organizational structure of the authority and functions of each unit of the authority. ATAR provided the document to MOPH to use as a general guide to begin the process of forming the authority.

On Dec. 6, with ATAR support, MOPH conducted the initial working group on the Food Safety Control Authority. MOPH's Deputy Minister opened the meeting and reiterated MOPH's support for the establishment of the authority. Representative of the World Health Organization and MOCI also participated in the working group. Participants agreed that the working group will review the needs assessment, and four additional working group meetings were held in December.

In November and December, ATAR finalized materials for a food safety course and submitted them for translation into Dari. Two professors at Kabul University and NAEC will finalize the Dari version once translation is completed.

Law on Plant Protection and Quarantine

ATAR worked with MAIL to support implementation of the Law on Plant Protection and Quarantine. In October, ATAR worked with five staff of MAIL's Plant Protection and Quarantine Directorate (PPQD) to revise standard operating procedures for Afghanistan's quarantine system in accordance with standards recommended by the International Plant Protection Convention.

With the Plant Protection and Quarantine Law with the President for signature, ATAR worked with the PPQD on ensuring all materials that had been revised recently were translated into Dari and vetted for technical content. The PPQD also revised the proposed pest monitoring and surveillance protocol for priority pests and diseases.



ATAR works with the Plant Protection and Quarantine Department on revising standard operating procedures for Afghanistan's quarantine system.

New Institutional Structures

During the quarter, ATAR provided guidance to the Afghan government in establishing new institutional units for supporting the implementation of WTO legislation. ATAR started guiding MOPH in preparing necessary materials for government authorization of the establishment of the Food Safety Control Authority, which would support the Law on Food Safety. ATAR provided also guidance to ACD in seeking government approval for establishing an Intellectual Property Border Enforcement Unit, which would help to support implementation of intellectual property laws, and the Advance Rulings Unit, which would help support Afghanistan's Customs Law and the Procedure on Advance Ruling on Binding Decisions.

4. Build ANSA Capacity

In October, ATAR completed a needs assessment for the National Metrology Institute and preparation of a draft model law on legal metrology and a draft model law on legal units of measurement. ATAR submitted the assessment to ANSA's Deputy Director General for review.

5. Assist in Building Capacity and Sustainability for the WTO Unit Post-Accession

ATAR will begin this activity later in Year 3.

6. Assist in Building Analytical Capacity

Trade Policy Analysis Unit

MOCI's Trade Policy Analysis Unit (TPAU) aims to deepen and broaden Afghanistan's regional integration as well as support formulation of sound trade policy through analysis of trade data, such as imports and exports. ATAR continued to build the capacity of MOCI's TPAU through on-the-job training on the development of economic models.

Three economic models were designed to estimate WTO impact on Afghanistan economy:

- A partial equilibrium model, based on the price elasticity concept, combining about 200 tariff lines to estimate scenarios for the application of bound tariff rates and estimate the impact of WTO accession on trade flow, trade diversion, fiscal revenue, balance of payments, and consumer welfare.
- A partial equilibrium model, based on effective rate of protection, to estimate impact on particular Afghan economic sectors and on the competitiveness of Afghan producers. The model covers 10 different sectors of the Afghan economy.
- An aggregate demand/aggregate supply economic model to estimate the impact of WTO accession as a multiplier effect on employment and gross domestic product.

According to models' results:

- Afghanistan's exports will increase by $65 million within the next 3 to 5 years to non-South Asia Free Trade Area (SAFTA) countries;
- WTO accession will lead to additional growth of 1.5 percent in the country's gross domestic product within next 3 to 5 years;
- Fiscal revenue resulting from imports will not be impacted; and

- Employment in Afghanistan's export industries is expected to grow by around 10 percent (without the multiplier effect) in the next 3 to 5 years.

ATAR and the TPAU continued developing partial equilibrium models for 15 sub-sectors of Afghanistan economy where Afghanistan has the potential for development of production and export to estimate competitiveness of Afghan producers, particularly for wheat and wheat flour production and for other food-processing industries.

ATAR continued providing on-the-job training on the application of the effective rate of protection model in analyzing real protection to explore development of domestic industry with focus on flour and textiles. TPAU identified tradable inputs and calculated added-value and real protection rate for producers to develop these economic sectors.

ATAR started providing training to the TPAU on developing a general equilibrium model. ATAR is assisting TPAU in the collection of information for the model and provided trainings on the theory of general equilibrium models and application of the models in analysis of trade and economic policies.

7. Assist in Building WTO Awareness

ATAR and MOCI prepared awareness briefs on the benefits of WTO membership, WTO dispute settlement, and WTO rules and commitments. ATAR supported MOCI in the development of comparative graphs that demonstrated the impact of WTO membership on economic growth and trade for 37 LDCs and regional non-LDCs as well as on graphs on economic growth, foreign investment, and exports for 12 LDCs that are WTO members. ATAR also prepared an action item list outlining each Ministry's responsibility for the next three and six months to fulfill near-term WTO commitments. Chief Executive Officer Abdullah Abdullah endorsed the document.

In October, ATAR gave a presentation called "WTO: Implications for Afghanistan Wheat and Flour Trade" at a conference in Kabul organized by the Global Alliance for Improved Nutrition (GAIN) and MOPH. ATAR also compiled a policy advisory white paper titled "WTO-Consistent Policy Alternatives to Stimulate Afghan Wheat Production and Flour Milling" as part of public outreach to Afghan policymakers at MAIL, MOCI, and private-sector millers and wheat producers.

8. Assist in Implementation of Competition Policy

ATAR will begin this activity later in Year 3.

D. COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. Afghanistan

Support Regional Trade Objectives

ATAR assisted MOCI in compiling a list of problems faced by Afghan exporters while transiting shipments through Pakistan. The list will help MOCI prepare for the next Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting, which is expected to occur in February 2016 in Kabul. APTTCA oversees implementation of the Afghanistan Pakistan Transit Trade Agreement (APTTA). ATAR also assisted MOCI in preparing an update on trade issues for the 10th Joint Economic Commission meeting between Afghanistan and Pakistan in Islamabad, Pakistan, that was held in November.

Capacity and Technical Support for Greater Trade Facilitation

ATAR briefed newly appointed officials at ACD on modalities the project developed to help facilitate trade between Afghanistan and Pakistan. ATAR met with ACD's new Director of Field Operations to update him on the modalities that ATAR developed regarding establishment of Afghan customs offices at Pakistani seaports and One Stop Border Posts at border crossing posts with Pakistan. The following day, ATAR conducted a presentation on both modalities for the new Director and re-submitted all related documents.

What is TIR?

Transports Internationaux Routiers (TIR) is a customs transit system that simplifies cargo movement across at least one border. The principles and guidelines for implementing TIR are described in the TIR Convention 1975. In September 2013, TIR was reactivated in Afghanistan after three decades of suspension.

TIR Implementation and Sound Transport and Logistics

ATAR continued to support Afghanistan in furthering implementation of the Transports Internationaux Routiers (TIR) Convention, which is a customs transit system that simplifies the movement of cargo across at least one international border.

In October, ATAR facilitated a TIR Awareness and Promotion Workshop for 68 transport operators, freight forwarders, and government representatives. Speakers included ACD's new Director General as well as representatives of the



ACD's Director General speaks at a TIR awareness seminar.

Afghanistan Chamber of Commerce and Industries (ACCI) and the Ministry of Transport and Civil Aviation. The workshop raised awareness of TIR and enabled dialogue between the participants and government officials.

In addition, ATAR sought to give exporters a better understanding of operating a global business. In October, ATAR held a Global Supply Chain Forum in partnership with MOCI and the Export Promotion Agency of Afghanistan (EPAA) for 80 participants from the private sector on opportunities and challenges in getting Afghanistan's high-quality products such as fruit, marble, and gemstones through the global supply chain – from the supplier to overseas markets including India, the United Arab Emirates, and the European Union. Private-sector representatives from Air India and Berouge Paints and officials from USAID projects including ATAR, Financial Access for Investing in the Development of Afghanistan (FAIDA), and the Commercial Horticulture and Agricultural Program (CHAMP) gave presentations on resources available to the private sector, market opportunities, and best practices in global supply chain management.



MOCI's Director General of International Trade speaks at the Global Supply Chain Forum.

Trade Promotion

Export Strategies

ATAR supported MOCI and EPAA on the development of the "National Export Strategy of Afghanistan." The document details actions Afghanistan should take to significantly increase exports over the next decade. The document includes 15 areas that range from removing administrative barriers, infrastructure improvement priorities, export promotion, and women in trade. Various ministries and private-sector associations contributed to the document. EPAA is reviewing the first draft of the strategy.

ATAR also assisted MOCI in developing an action plan to promote Afghan exports in the short and medium term. MOCI was requested by the President to prepare this plan for his review. This plan identified the problems in three major areas – policy issues, infrastructural problems and difficulties related to export competitiveness and value chains. This plan recommended actions to be initiated by MOCI in coordination with other ministries, institutions and private-sector organizations. ATAR spoke with a cross-section of exporters and relevant institutions such as EPAA, exporters' associations, and members of an informal committee formed by Deputy Minister for this study.

Trade Seminars

In order to increase traders' access to financial mechanisms that can help grow their businesses and increase exports, ATAR organized a seminar in November called "Access to Finance for Exporters." More than 50 exporters learned about obtaining loans that could help them grow their businesses.

ATAR held the seminar in partnership with USAID's FAIDA project. Representatives from the Afghanistan Rural Finance Co., Afghanistan International Bank, First Microfinance Bank-Afghanistan, Insurance Corporation of Afghanistan, and USAID-funded projects educated participants on obtaining business loans, letters of credit, and other financial products; special assistance available for businesswomen; and best practices in conducting export deals and in shipping goods.

In an effort to support women's involvement in trade, ATAR held a seminar called "Women in Trade – Opportunities and Challenges" in December for 68 businesswomen. The seminar provided a platform to capture problems faced by women exporters at various stages of executing orders. A representative from the Afghan Women Business Federation (AWBF) explained how the organization can advocate for women on certain issues, such as providing access to credit and to markets. ACCI, USAID's Promote, and FAIDA participated in the technical session.



Participants in the "Women in Trade" seminar ask questions of speakers.

International Trade Events

ATAR worked with UN Women to support the participation of 16 Afghan businesswomen in the 36th India International Trade Fair in New Delhi, India, from Nov. 14-27. The women sold around $1 million of their products to Indian buyers, and the event generated potential deals of more than $2 million for them.

ATAR supported seven of the businesswomen with the provision of exhibition space and assisted UN Women to identify and support the other nine businesswomen. ATAR trained the 16 women on participating in an international event, conducting business negotiations, exporting goods, shipping goods for display, and obtaining documents and visas for their participation. ATAR worked closely with AWBF to work toward sustainability of the participation of Afghan women.

The India International Trade Fair is the largest consumers goods fair in the Indian sub-continent. The Afghan traders showcased their fresh and dried fruit, nuts, carpets, marble, saffron, jewelry, and handicrafts. The event drew about 2,000 visitors from India and neighboring countries.



An Afghan businesswoman places a necklace on a potential buyer at the India International Trade Fair.

ATAR is also taking the lead to coordinate the Afghan pavilion at Gulfood in Dubai, United Arab Emirates, on Feb. 21-25. CHAMP, USAID's Regional Agricultural Development Program-South (RADP-S), and UN Women will partner with ATAR in supporting Afghan traders, and FAIDA will facilitate trade finance for Afghan exhibitors. About 20 Afghan producers and exporters including 10 women-owned agribusinesses are expected to display their produces.

In addition, ATAR planned with the Federation of Indian Chamber of Commerce and Industry (FICCI) for a "Made in Afghanistan" event anticipated to take place in New Delhi, India, in the first half of 2016. About 40 Afghan exporters, including up to ten women-owned businesses, will meet Indian importers of agricultural products and jewelry made of semi-precious stones. ATAR, USAID's Regional Agricultural Development Program-West (RADP-W), and EPAA are working with FICCI to organize the event.

2. Kyrgyzstan[7]

Cross Border Transport Agreement

ATAR continued to follow up with the Kyrgyzstan's Ministry of Transport on the status of Afghanistan's protocol of accession to the Cross Border Transport Agreement-Corridor 5 (CBTA-5) between Afghanistan, Tajikistan, and Kyrgyzstan.

In December, ATAR met with the Kyrgyz Deputy Minister of Transport and Communications. He said the CBTA was currently at the office of the Kyrgyz President, and the protocol will need to be approved by two government committees (transport and international relations) before a vote on the floor of Parliament. He said that Parliamentary ratification could be challenging given that most previous members of Parliament who were familiar with CBTA are no longer there. He said that additional awareness raising may be needed, and ATAR offered its support in that area.

What is CBTA?

The CBTA between Afghanistan, Kyrgyzstan, and Tajikistan helps link East Asia with the Middle East and South Asia.

Tajikistan and Kyrgyzstan signed the CBTA in December 2010, and Afghanistan signed the protocol to join the CBTA with Tajikistan and Kyrgyzstan in November 2011. Due to some discrepancies in the English and Russian versions of CBTA, the three countries agreed to re-sign the protocol with the previous dates.

In 2015, ATAR facilitated the re-activation of the process of ratification of Afghanistan's protocol in Kyrgyzstan. During 2015, the CBTA proceeded from the Ministry of Foreign Affairs to the Ministry of Transport and is currently at the office of the Kyrgyz President.

WTO Trade Facilitation Agreement

ATAR participated in WTO TFA working group meetings that were held about two times a week during the quarter. In October, ATAR supported the WTO TFA working group in drafting an action plan for implementation of the WTO TFA in Kyrgyzstan. In December, the working group presented the action plan to the Ministry of Economy.

What is WTO TFA?

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved WCO Revised Kyoto Convention (RKC) provisions, improved provisions in existing WTO agreements, and new trade facilitation provisions.

Throughout 2015, ATAR worked in Kyrgyzstan to build greater awareness and support for the ratification and implementation of the TFA. As a result of ATAR's efforts, the Ministry of Economy established a TFA working group and held regular TFA-related meetings during the year.

The Ministry presented the action plan to Parliament in late December, and requested ATAR's assistance in conducting a regulatory reform impact analysis, which is necessary for Kyrgyzstan's ratification of the WTO TFA. Kyrgyzstan's national law requires that an analysis be conducted on the impact of a specific agreement on businesses. ATAR hired a specialist who is working on the analysis.

Customs Consultative Council

During the quarter, ATAR helped prepare for and conduct two Customs Consultative Council meetings, which bring together Kyrgyz businesses and Kyrgyz customs officials. ATAR successfully managed to reinvigorate the council in late 2014.

[7] For more information, see Component 2's Section 6: Cross-Cutting Regional Activities.

In the first meeting in October, the business community raised the issue of security of customs payments, saying the amount was too high and should be decreased. Kyrgyz Customs suggested drafting a letter to the government. Following the meeting, ATAR supported the business community in drafting the letter requesting amendments to the Customs Code to reduce the amount of security.

In the second meeting in December, ATAR suggested the methodology for calculation of the amount of security of customs payment for Kyrgyzstan. Based on this calculation, ATAR supported the drafting of another letter, which was submitted to the Kyrgyz Customs and Ministry of Economy. These state bodies agreed with businesses that the amount of security mentioned in the Customs Code is too high, and they said they will raise this issue with the Customs Union Commission in Moscow.

In December, ATAR helped to create the Alliance of Business Communities in Ancillary Services, known as Alliance for short. The organization came about after ATAR encouraged the Association of Customs Brokers to involve customs warehouses, temporary warehouses, and duty-free shops since the association works for the rights of those stakeholders as well. As one of its first activities, the Alliance plans to speak to officials about decreasing the amount of security of customs payment.

3. Tajikistan

Customs Support

ATAR expanded upon a model concept for an Authorized Economic Operator (AEO) program for Tajikistan, by providing additional examples of best practice AEO models used by other customs administrations.

ATAR also completed a proposal regarding the issuance of customs advance rulings. ATAR noted that Tajik Customs has the legal capacity to issue advance rulings with respect to tariff classification and preference of origin questions, but it is not offering this facilitative service to the private sector. ATAR will present this proposal to the Tajik Customs for consideration once a decision has been made by the Tajik government regarding the tariff classification codes to be adopted in the near future.

Following the government's decision to achieve compliance with the WCO's Revised Kyoto Convention (RKC) that was ratified in early October, ATAR worked with Gesellschaft für Internationale Zusammenarbeit (GIZ) and Tajik Customs to prepare an action plan for the development of outstanding customs regulations. The three parties met in October to discuss plans for the delivery of awareness seminars on RKC standards and recommendations to customs and private-sector audiences.

In support of a joint ATAR/GIZ proposal to improve the integrated border management model known as "One Stop" implemented by Tajik Customs, ATAR drafted a memorandum of understanding (MOU) between the Tajik Customs Service and the Tajik Border Police. The MOU covers mutual understanding, cooperation with suspected border transgressions, and sharing of information, equipment, facilities, training, and technical expertise. ATAR presented the draft MOU to Tajik Customs. Both the Tajik Customs Services and the Tajik Border Police will need to review and sign the document.

ATAR also started research and analyses of specific Tajik Customs Code provisions to determine if they

will support a proposal for joint border controls or if they require amendments to permit customs controls to be conducted in another territory and/or to permit another customs administration to jointly conduct customs controls within the Tajikistan territory. Tajik Customs has agreed to consider a previous USAID proposal for joint border controls pending legal feasibility.

ATAR delivered a five-day training program for customs trainers and practitioners on the principles and correct application of the WTO Customs Valuation Agreement in November. This WTO agreement provides an internationally agreed and consistent method for valuing goods for the purposes of applying custom tariffs.



Participants in ATAR's training on the WTO Custom Valuation Agreement take a test to measure knowledge on the subject.

Participants included customs trainers, customs operational staff, lecturers from the University of Economics and Finance of Tajikistan, and customs brokers. This was the first occasion in which Tajik Customs shared training with its primary clients. The program included a pre- and post-training test that showed participants' improved knowledge on the subject. Customs management decided to use the training materials for regional customs staff and brokers, and ATAR assisted with the transition of the materials to Tajik Customs' templates.

Trade Facilitation

In November, ATAR delivered three presentations and moderated workshops at a regional trade facilitation conference organized by the European Union's Border Management Northern Afghanistan (EU-BOMNAF) for Afghan and Tajik government officials and donor representatives.

ATAR presentations included: "Trade facilitation: WTO and regional cooperation"; "Trade and investment opportunities in Afghanistan"; and "Regional cooperation with the focus on border management and cooperation between Afghanistan and Tajikistan". ATAR also moderated two workshops regarding strengthening the relationship between border guards and customs officials of Afghanistan and Tajikistan and between the countries' border agencies as well as measures to strengthen market access, investment, trade potential, public-sector advocacy, and the logistics capacity of South and Central Asian countries.

The forum also provided ATAR an opportunity to learn of the potential for donor collaboration with the Organization for Security and Co-operation in Europe, the United Nations Development Program, and

GIZ.



A panel of speakers discusses regional trade issue at a conference in Tajikistan organized by the European Union's Border Management Northern Afghanistan.

4. Turkmenistan

Customs Support

In October, ATAR visited the Turkmenistan State Customs office in Ashgabat to clarify new customs duties imposed on several imported products. The Turkmen government increased customs duties significantly on six categories of imported products with the aim of protecting local producers.

Trade Facilitation

ATAR worked with the private sector to try to promote trade between Turkmenistan and Afghanistan. In October, ATAR met with the operation manager of Muntaz Petroleum Co., which operates in Turkmenistan, Afghanistan and other Central Asian countries. ATAR discussed possible logistical support in delivering fruit and vegetables to Turkmenistan for Afghan exporters working with USAID's RAPP-W and in delivering paint to the Turkmen market for Berouge Paints in Afghanistan.

In November, ATAR facilitated a meeting between an Afghan businessman and Turkmenistan's head of the Foreign Economic Affairs Department under Turkmenistan's Ministry of Textile Industry. During the meeting, the Afghan businessman expressed interest in purchasing Turkmen textile products. The Turkmen official contacted an Ashgabat textile complex, and the businessman visited the complex to examine the textile products and discuss possible purchases. In November, ATAR met also met with the director of NETIJELILIK Consulting Co. to discuss cooperation and possible technical assistance that ATAR could provide to Turkmen businesses.

In December, ATAR met with representative of a local Turkmen transportation company importing potatoes, onions and other products from Afghanistan. The topic of the discussion was the main problems entrepreneurs are facing delivering goods, customs procedure at Serhetabat and Ymamnazar borders, and the potential for increasing bilateral trade.

ATAR also explored opportunities to provide training to Turkmen businesspeople as well as Afghanistan's commercial attaché in the country. In November, ATAR met with the director of the business school of the Union of Economists of Turkmenistan, which has 600 members, to discuss a possible partnership in conducting seminars, providing technical assistance, and carrying out research. The director expressed interest in organizing an export promotion seminar upon the approval of the Turkmen Ministry of Foreign Affairs and proposed conducting trade-related research with ATAR in Afghanistan and Turkmenistan.

In December, ATAR met with the Union of Industrialists and Entrepreneurs of Turkmenistan, which expressed support for ATAR export training for members of the union if the Ministry of Foreign Affairs of Turkmenistan approves. In December, ATAR also met with the commercial attaché of the Afghanistan Embassy in Ashgabat to discuss business cooperation between Afghanistan and Turkmenistan and ATAR technical assistance.

In late December, ATAR prepared and submitted its quarterly plan for January-March 2016 to USAID Turkmenistan, which will submit it to the Ministry of Foreign Affairs of Turkmenistan. ATAR proposed technical assistance to the state association for Turkmen carpets and export promotion seminars for Turkmen businesses and organizations.

5. Uzbekistan

Customs Support

ATAR sponsored the participation of a representative from the Uzbek Customs Committee in the Central Asian Trade Forum in Almaty, Kazakhstan. [8] ATAR also identified possible trainings and seminars for Uzbek Customs authorities, private customs broker companies, and the Association of Customs Brokers in 2016 and will work with USAID/Uzbekistan to submit to the Uzbek Customs Committee for consideration. Topics included risk management, customs information technology, e-declaration, border management, post-clearance audit, advance rulings on origin, and classification.

Trade Facilitation

ATAR continued the trade route mapping study that began in September to assess alternative routes for linking Tashkent with New Delhi and the Arabian Sea. The study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan and assist in identifying bottlenecks on key routes and presenting solutions for addressing them.

[8] See section 6 "Cross-Cutting Regional Activities" for more information on the event.

After preparing a questionnaire for the study, ATAR collected data from transportation/logistics and customs brokerages. The Uzbek Chamber of Commerce and Industries and Association for Development of Business Logistics (ADBL) assisted in data collection. They also committed to facilitating the presentation of the report, once prepared, for discussions among stakeholders.

6. Cross-Cutting Regional Activities

In October, ATAR facilitated participation of 24 Afghan businesses and an Uzbek customs official in the Central Asia Trade Forum organized by USAID's Regional Economic Cooperation (REC) project in Almaty, Kazakhstan. More than 600 participants from eight different countries participated in the event. In addition to facilitating their participation in the event, ATAR organized a study tour for six Afghan participants to a flour mill and food processing facility and organized meetings between Pakistani and Afghan businesses. ATAR also delivered presentations.



ATAR presents at the Central Asian Trade Forum (left) and arranges a tour of a flour mill for Afghan participants (right).

E. COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. Support Regional Integration

The Ministry of Foreign Affairs continued to review the MOU on mutual assistance between the United Arab Emirates (UAE) and Afghanistan, which was submitted by ACD following ATAR's review. In December, ATAR advised the Deputy Minister that the MOU was still with MOFA and had not been signed. The Deputy Minister said he will try to progress matters to expedite the signing of the MOU.

Following signature of Afghanistan and the UAE, ATAR will provide technical assistance on customs matters raised between ACD and UAE Customs, advise on staff exchange proposals, possible funding of equipment by UAE, and training that can be provided by UAE. Furthermore, ATAR will support ACD attending quarterly meetings in UAE.

2. Organizational Compliance

ACD continued to review ATAR documents on the Internal Audit Unit and Professional Standards Unit (PSU). During two meetings with ATAR, the Deputy Minister indicated his full support for the concept proposed by ATAR and said he would sign the necessary policy documents once they are submitted. However, the Deputy Minister recommended that the Internal Audit Unit should be re-badged as the Internal Compliance Unit (ICU). ATAR advised him that the translation review of these policy documents from English into Dari was underway, and the documents would be submitted for his review. Once signed, ATAR will start implementation and deliver associated training.

The Deputy Minister also indicated his full support for the PSU concept proposed by ATAR and tasked the Director of Support and Development with including the positions within ACD's official organizational structure. The ICU will assess compliance with all existing strategic, operational, and tactical policies, processes, and procedures undertaken by ACD, while the PSU's primary objective will be to investigate any case where there is a reasonable suspicion that a staff member is guilty of misconduct.

In November, ACD's Director General requested ATAR meet with the Afghanistan Revenue Department (ARD) Director of Large Tax-Payer Office regarding government anti-corruption efforts. During the meeting, the ARD Director said the Minister of Finance tasked him with developing an anti-corruption strategy for ACD and ARD. At his request, ATAR drafted ACD's portion of this strategy. The document was well received, and the Director requested follow-up meetings to progress the strategy.

3. Trade Compliance

Post Clearance Audit

ATAR continued to support the development of ACD's Post Clearance Audit (PCA) Department through a series of workshops and training courses as part of an ongoing capacity building program. This phase of the program targeted the members of the existing PCA working group, which were selected by ACD and are expected to be the core resource for implementing the new areas of responsibility of the PCA Unit.

On Oct. 12-14, ATAR held the first workshop for five members of the PCA working group. The workshop covered a review of the draft PCA policy and procedural documents and included discussions regarding constraints to implementation.

On Oct. 17-21, ATAR held a five-day training course for six participants – the PCA working group members and an employee of ACD's legislative department – on international best practices underpinning modern customs audits and the methodology that is linked to the new working documents.

What is PCA?

Post clearance audit (PCA) is an audit-based customs control performed subsequent to the release of cargo from customs' custody. The purpose of such an audit is to verify the accuracy and authenticity of declarations and covers the control of traders' commercial data, business systems, records, and books.

On Oct. 25-28, ATAR held a workshop on planning skills for the six participants, which is a core skills requirement for audit, and provided an overview of the objectives and responsibilities at all levels (strategic, operational, tactical) as well as a suggested planning approach for audit.

ATAR followed up on October's technical training with weekly PCA working group meetings and ad-hoc mentoring of PCA staff. The working group completed the profiling of 20 companies, which will be subject to audits in 2016. The PCA team completed their upskilling in the Automated System for Customs Data (ASYCUDA), which will enable them to access and analyze crucial data that they require for PCA operations and audit planning. To progress this initiative, representatives of the ASYCUDA section



ATAR provided a series of trainings to ACD's Post Clearance Audit Department.

attended a PCA working group meeting, in which it was decided that the PCA Department will get four additional user accounts to enable them to research and risk asses areas of trade.

Risk Management

ATAR met with the ACD's new Director of Enforcement several times and provided updates and guidance on risk management, the national anti-smuggling hotline, professional standards, internal audit, and intelligence. ACD's new Director of Enforcement expressed his desire to work with ATAR on key activities and recognized the need to accelerate the speed of reforms in enforcement.

Following these discussions with ATAR, the Director implemented the requirement for all enforcement staff to use officially issued pocket notebooks to record daily activities and interactions with the public; approached the Minister of Finance about obtaining a toll-free number for the national anti-smuggling hotline; started dialogue with partner agencies to move forward with data-sharing agreements; requested regular reports from ASYCUDA in support of risk management activities; and discussed mechanisms for moving forward with the PSU policy with the Minister of Finance.

During ATAR's meetings with the Deputy Minister, ATAR provided an overview of risk management at ACD. It was agreed the current strategy of sending most consignments for physical examination was ineffective, and intervention needed to be realigned. The Deputy Minister and Director General requested they be present at future risk management working group meetings so they can reinforce this message. ATAR continued to send the weekly risk management snapshot to the Deputy Minister, Director General and relevant Directors to advise them of the current status of the regional customs in which ATAR project has a presence.

ATAR monitored the release times of consignments allocated to either the green (immediate release), yellow (documentary check), and red lane (physical examination) under the risk management system. The below chart provides the release time in minutes for each month from June through December.

	Herat ICD			HKIA			Jalalabad ICD			Balkh ICD			Aquina ICD			Sher Khan Bandar ICD		
Month	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red	Green	Yellow	Red
June	45	60	180	50	68	75	85	98	130	60	90	120	50	90	120	60	80	150
July	40	60	145	N/A	N/A	N/A	72	90	140	40	70	90	50	90	120	40	70	100
Aug.	50	60	105	N/A	N/A	N/A	55	70	100	50	70	90	50	90	120	40	70	100
Sept.	45	70	90	N/A	N/A	N/A	54	66	100	70	90	120	50	90	120	40	70	100
Oct.	55	100	150	N/A	N/A	N/A	58	72	95	70	90	120	50	90	120	40	70	100
Nov.	55	75	90	64	85	140	52	66	90	40	70	110	50	90	120	40	70	100
Dec.	45	85	105	32	50	72	40	60	90	50	80	110	50	90	120	40	70	100

- All time in minutes.

ATAR also continued to monitor the current number of procedures at Inland Clearance Depots (ICDs) compared to the national blueprint for streamlined import procedures, which contains thirteen steps. The latest status report highlights that all ICDs have introduced additional steps. ATAR continued to work with ACD regional directors to review additional steps to determine whether they should be removed or not. To assist in this matter, the Director General told ATAR that he reiterated to all regional directors that the original streamlined procedures decree must be adhered to.

	Kabul ICD	HKIA	Hairatan ICD	Herat ICD	Jalalabad ICD
Non-compliant steps reintroduced	1	6	1	2	2
New steps introduced	4	1	5	3	7
Total additional steps	5	7	6	5	9
TOTAL	**18**	**20**	**19**	**18**	**22**

TIR/Transit

ATAR continued to support ACD in furthering implementation of the TIR Convention, which is a customs transit system that simplifies the movement of cargoes across at least one international border.



ATAR delivers a TIR "train-the-trainers" workshop for customs officers.

From Oct. 17-21, ATAR delivered a TIR "train-the-trainers" workshop for 12 customs officers. ACD is key in implementation of TIR as it regulates the use of TIR carnets at border crossing points; imposes proper customs controls so that transit shipments are trustworthy; and conducts physical inspection of the vehicles before issuing a certificate of approval. ATAR also assisted the ACD TIR Committee on the Dari guidelines of the TIR carnet; the guidelines were finalized and sent to ACD's Director Operations for approval.

ATAR and ACD's transit manager, sponsored by ATAR, attended two TIR workshops on Nov. 17 in Karachi and Nov. 19 in Islamabad, which were organized by the Economic Cooperation Organization (ECO) and the International Road Transport Union. ECO countries were invited to share experiences regarding TIR implementation. The workshops aimed to clarify the responsibilities of all parties, particularly customs authorities, in operating TIR successfully. ACD's transit manager delivered a presentation on trade benefits from TIR operations between Pakistan and Afghanistan, and ATAR delivered a presentation highlighting the impact of TIR implementation on regional trade corridors.

In November, at the Deputy Minister's request, ATAR reviewed a company's proposal for implementation of an electronic seal program that would provide ACD with access to tracking international consignments across Afghanistan, mitigating issues with goods being diverted without appropriate taxes being paid. ACD agreed with ATAR's conclusion that the cost to the trader for using such electronic seals (at least in the way proposed by the company) would be prohibitive to legitimate transit trade. ATAR will assist the ACD in redrafting the request for proposal to ensure technical specifications are such that costs to the trader are minimized.

4. ANCA

ATAR continued to support the Afghanistan National Customs Academy (ANCA). ATAR completed the ANCA curriculum and reviewed the ANCA standard operating procedure developed by ATAR and agreed on the document, which has been submitted to the Director General and Director Support and Development for final approval and implementation. [9]

5. E-Pay

In October, ATAR met with ACD and Da Afghanistan Bank (DAB) to progress the implementation of e-payment of customs duties. Although ACD and DAB acknowledged there were no technical issues to implement E-Pay in the regions, they raised concerns about a lack of commercial banks at the border crossing points and ICDs. However, it was noted that most traders already had bank accounts, and those who did not could pay in cash at any commercial bank without having an account.

Later in October, USAID held an "Electronic Money Summit" attended by high-level representatives from the Ministries of Commerce and Industries, Communication and Information Technology, Finance, Education, Justice, Labor, Social Affairs, Martyrs and Disabled. Other participants included USAID-funded projects and DAB. During the meeting, ACD's Director General said that ACD and DAB would next implement E-Pay at Mazar-e Sharif, Hairatan, and Andkhoy.

On Dec. 3, ACD officially launched E-Pay in Mazar-e Sharif with ATAR support. Representatives from ACD, DAB, traders and brokers attended the event. This followed the launch of E-Pay of customs duties at Hamid Karzai International Airport (HKIA) and Kabul ICD in May 2015.



ACD Director of Operations Zobair Qasimzadeh speaks at the launch of E-Pay in Mazar-e Sharif (left). People look at a poster explaining E-Pay at the launch (right).

ATAR continued to request DAB submit the technical specification for a software patch to allow connectivity between the DAB and ACD systems and fully automate the electronic payment of customs duties, or E-Pay. When received, ATAR will submit a request for funding to cover the costs of the

[9] ATAR's international training advisor and national training advisor departed in October 2015.

required software upgrade. This patch will allow the DAB banking system and the ACD processing system to interact on a fully automated level and facilitate electronic acquittal of customs declarations.

6. Implement Outreach Programs

ATAR provided awareness posters to ACD for the launch of E-Pay in Mazar-e Sharif, which occurred in December. ATAR also awaited ACD's possible procurement of a toll-free number before finalizing a poster to publicize a hotline that will allow callers to report allegedly suspicious activity for subsequent investigation.

Following a request from the Director General in reviewing customs currency controls at HKIA, ATAR developed a draft poster in Dari, Pashto, and English for currency control at the airport. Upon approval of ACD, ATAR will print the posters for placement in key areas of the airport so that travelers are aware of the requirement to declare cash in excess of $10,000. On acceptance by ACD, ATAR will facilitate a press launch and provide guidance on customs currency controls at the airport.

7. Trade Awareness/Education Program

During the quarter ATAR met with ACD, ARD, and Adam Smith International (ASI) on several occasions to progress a trade awareness education program. Representatives from ATAR, ASI, ACD, and ARD finalized the draft MOU with both Director Generals, and the MOU was approved in December.

Representatives of the working group from ACD and ARD discussed the structure of each event, schedule of events in Kabul and regions, presentations to be given, and participants. It is expected that the official launch and first seminar will take place in the first quarter of 2016.

8. Enhancing ACD Human Resources Department

ATAR will begin this activity later in Year 3.

9. Strengthening the Customs Code and Customs Policies

ATAR will begin this activity later in Year 3.

10. Strengthening the Capacity Building of ACD Managers

ATAR regional staff began drafting content for management standards and a template for management and site risk profiles. This will be reviewed in early 2016 before submission to ACD regional directors for discussion.

This is part of ATAR's initiative to support the capacity of ACD managers through the implementation of management standards, management profiles, and site profiles, which will allow managers to continually review their current capabilities against the perceived risk to customs and how to treat those risks.

11. Strengthening the Capacity of ACD Valuation Department

ATAR will begin this activity later in Year 3.

F. ACTIVITY IMPLEMENTATION

ATAR Project Objective: Improved trade environment for Afghanistan, fostering increased investment, export, and market-based employment opportunities

USAID Afghanistan DO1: Sustainable, Agricultural-led Economic Growth Expanded

USAID OEG Afghanistan Mission PMP IR 1.1: addressed: Employment Opportunities
USAID OEG Afghanistan Mission PMP Sub-IR 1.1.4: addressed: Regional Trade Increased

USAID Afghanistan DO3: Performance and Legitimacy of GIROA Improved

USAID OEG Afghanistan Mission PMP IR 3.1: addressed: Citizens Hold the GIROA Accountable
USAID OEG Afghanistan Mission PMP Sub-IR 3.2.2: addressed: Policies and Procedures Improved

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical Transition Period and continuing into the Transformational Decade.										
1	Growth in trade volume (imports, exports, and transit)	Outcome/ Impact Required by Prime Contract	By Country	GIROA[10]	Annual	AFN 382,848 million in 1391 excluding transit (ACD)	9.4%	Will be reported next quarter[11]	12% growth	Trade volume is defined as the licit trade value of goods brought into Afghanistan (import), the value of Afghan goods sold in a foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). This indicator is tracking only; ATAR will set expected targets but will not be accountable for specific targets. Indicators used for tracking purposes show at a higher level whether efforts in the sector by many contributors are producing results. Changes cannot be attributed to one donor only and can be caused by factors outside the control of any one donor. Total volume of trade in 1393 was AFN 418, 654.17 based on ACD data, including imports (AFN 384,867.12) and exports (AFN 33,787.04) – representing 9.4% growth over the baseline. Transit volume statistics were unavailable; ATAR is seeking a data source to track progress toward 10% targeted growth in transit volume stated in the contract. Statistics are as reported by ACD. Note: The government has not yet made updated data available.

[10] The Afghan government reports data according to the solar calendar, in which 1391 aligns with the year 2012-2013, 1392 aligns with the year 2013-2014, etc.

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
2	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD	Annual	AFN 6.175 million (1391)	Will be reported next quarter	Will be reported next quarter	AFN 9 million	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan. Note: Updated data is unavailable in https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-use-—-coun.
3	Export	Outcome/ Impact Required by Prime Contract	Product, countries	GIROA	Annual	AFN 16,328 million (1391)	AFN 28,491 million (1393)	Will be reported next quarter	AFN 40,000 million	Missions are not expected to report on this indicator. The information is tracked by EGAT. As per the contract, this indicator is tracking only. Growth of exports is expected to increase 3% annual as per the contract. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Statistics are as reported by ACD. Disaggregation by country (1393) in millions of Afghanis: India = 3,908; Pakistan = 7,253; Iran = 1,565; UAE = 3,109; Tajikistan = 478; Turkey = 1,598; Other = 5,991 Note: The government has not made updated data available.

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
4	Import	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	AFN 366,519 million (1391)	AFN 384,867 million (1393)	Will be reported next quarter	AFN 410,000 million	Missions are not expected to report on this indicator. The information is tracked by EGAT. As per the contract, this indicator is tracking only. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. Statistics are as reported by ACD. Disaggregation by country in 1393 in million Afghanis: China = 70,665; Iran = 58,950; Japan = 20,490; Kazakhstan = 22,321; Malaysia = 18,101; Pakistan = 73,006; Turkmenistan = 23,482; and Uzbekistan = 18,506 Note: The government has not made updated data available.
5	Change in World Bank's Doing Business ranking for trading across borders indicator	Outcome/ Impact Required by Prime Contract	N/A	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2015)	174 (Doing Business Annual Report 2016)	177	The World Bank Doing Business report presents quantitative indicators compared across 189 economies over time. As per the contract, this indicator is tracking only. The contract states that Afghanistan should improve seven positions from its position of 178 in 2013. Actual real progress toward the objective of improving "trading across borders" is relative to changes in the total number of countries surveyed as well as improvements/failings of other states. Afghanistan was ranked 179 out of 183 in 2012 and 178 out of 185 countries in 2013 and 184 out of 189 in 2014, and 184 out of 189 in 2015. According to the 2016 report, Afghanistan is ranked 174 out of 189 countries.

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
IR1: Capacity of Afghan government to formulated and implement liberal policy framework for trade and investment strengthened										
Sub IR1.1: WTO accession process finalized *Milestone 1.1.1 Adoption of Afghanistan's WTO Accession Package* *Milestone 1.1.2 Ratification of WTO accession by the Afghan Parliament*										
6	Number of WTO-related legal acts adopted through the legislative process with ATAR support (Custom)	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarterly	0	4	0	24	Bringing main aspects of the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. The legislative process for draft laws (including amendments) and sublegal acts (regulations, procedures) move from one stage to another. This indicator will monitor the legal acts once they have completed this process and are adopted into law. This indicator was revised in Y3 to replace the word "advanced" to "adopted" to better monitor progress toward actual adoption. The legal acts in the results are: 1. Procedure on Intellectual Property Border Enforcement came into force 2. Law on Trademarks endorsed by President 3. The Law on Trademarks came into force 4. Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings) adopted
Sub-IR 1.2: WTO implementation process developed and executed										
7	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quarterly	0	9	0	12	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes/procedures related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR. The reforms in the project's results are: 1. Institutional proposal accepted by MOCI for establishing a safeguard unit 2. Five ISO mirror committees established: petroleum products and lubricants; food products; textiles; gas cylinders; concrete, reinforced concrete and pre-stressed concrete 3. Mechanism for coordination and cooperation between ANSA and other government entities on enquiry/notification 4. Institutional proposal accepted by MAIL PPQD for establishing three pest risk assessment units 5. Voluntary copyright registration mechanism established at MOIC

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
8	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quarterly	0	39	0	50	This indicator captures the new draft laws and sublegal acts prepared at the Ministerial level with ATAR support. This mainly refers to the first draft finalized at the Ministerial level. The project's results include: 1. Twelve procedures related to food safety drafted and agreed by working group at MOPH 2. Three procedures related to Food Safety Law drafted and agreed by working group at MOPH during Dec. 2014 to March 2015 3. One procedure related to Food Safety Law drafted and agreed by working group at MOPH during April-June 2015 4. Draft regulation for implementing Law on Animal Health finalized 5. Seven procedures for implementing the Law on Animal Health prepared by the working group at MAIL 6. Five additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during Nov. 2014-March 2015 7. Four additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during April-June 2015 8. Draft regulation to implement Law on Plant Protection and Quarantine prepared by working group at MAIL during April-June 2015 9. Four draft procedures for implementing Law on Plant Protection and Quarantine finalized during April-June 2015 10. Draft copyrights coordination procedure finalized during April-June 2015
Sub IR 1.3: Private sector awareness of new opportunities for trade-related business development increased										

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
9	Number of awareness events held targeting the private sector (custom)	Output	Gender of partic-ipants	Project records	Quarterly	0	37	3	40	It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses. The project's awareness seminars to date include: 1. WTO awareness seminar for MOJ in Feb. 2014 2. Awareness about regional opportunities (Dushanbe business-to-business event) June 2014 3. Fourteen awareness events about food control authority and the legal authority contained in the draft food law and its supporting regulations 4. Three events in October 2014 on building awareness of trade opportunities under CATF and World Food/Almaty 5. Sanitary and phytosanitary (SPS) awareness seminar at MAIL in Feb. 2014 6. Awareness training seminar on trademarks for the private sector in Feb. 2015) 7. Awareness training seminar on procedures for trademark registration for the private sector in Feb. 2015 8. Awareness training seminar on trademarks for the legal community in Feb. 2015 9.Two training seminars on geographical indications for the private sector in March 2015 10. Two awareness seminar on patents for private sector 11. Three awareness seminar on trademarks for academia 12. TIR awareness workshop for transport operator (ACCI) 13. Three WTO awareness in September 2015 14. WTO: Implications for Afghanistan Wheat and Flour Trade seminar in Oct. 2015 15. Copyrights publishers awareness event in Nov. 2015 16. TIR awareness Oct. 2015
Sub IR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased *Milestone 1.4.1 General Equilibrium Model tested*										

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
10	Number of instances in which GIROA requests for trade policy research and analysis can be provided by TPAU (Contractual)	Output	N/A	Project records/ TPAU records	Annual	0	4	4	8	This indicator tracks the capacity of the TPAU, by monitoring the research and analysis provided to MOCI. This indicator was added to the contract in Modification 7 signed Dec. 21, 2015. ATAR will begin monitoring this output-level result starting from Year 3 and attempt to retroactively report based on available project data. In Year 1 and Year 2, the following policy research and analysis were requested from the TPAU in support of: 1. Reduction in SAFTA sensitive list 2. Educating on the impact of WTO accession 3. Analyzing agricultural production (juices, beverages, wheat, flour, fruits, vegetables, nuts) for the purpose of tariff policy evaluation 4. Analyzing tariff policy for import of vehicles
11	Reduction in discrepancy between the Central Statistics Office (CSO) and the ACD on trade statistics	Output USAID requested indicator	N/A	CSO/ACD	Annual	27%	19.9%	Will be reported next quarter	9%	It is crucial to have reliable trade-related data. ATAR supports ACD and CSO to harmonize trade-related data between the two organizations. The difference between values reported by ACD and CSO divided by the average of the two values, shown in percentage. Based on trade statistics data from ACD and CSO for 1393, the overall discrepancy was 19.90%. Note: The government has not made updated data available.

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
12	Number of awareness documents prepared to educate about WTO and regional integration (custom)	Output USAID requested indicator	Province	Project records	Quarterly	0	37	7	40	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and trade opportunities. Project results included: 1. Document for President Karzai office on WTO 2. Presentation developed for WTO awareness seminar for MOJ 3. Awareness materials on TIR 4. Copyrights general pamphlet 5. Copyrights music pamphlet 6. Copyrights publishers pamphlet 7. Copyrights awareness article 8. Educational materials on indication of production of place 9. Presentation to educate Tajik public and private sector about APTTA 10. Note to President Ghani on Afghanistan's WTO accession 11. Strengthening food safety in Afghanistan 12. Good hygiene practices for businesses 13. SPS agreement awareness power point 14. Note for President Ghani regarding bilateral trade issues with Pakistan 15. Note for President Ghani regarding transit trade issues with Pakistan 16. Awareness materials on geographical indications **17.** Awareness materials on trademarks 18. Awareness materials on patents 19. Ten WTO awareness presentations and two WTO fact sheets 20. 10-page summary covering WTO status and merits of accession, regional implications, government procurement, and competitiveness 21. A note on the road to the Nairobi Ministerial Conference 22. A note on WTO and manufacturing in Afghanistan 23. A note on the dispute settlement process and transit 24. A note on benefiting from WTO membership 25. WTO rules and commitments of Afghanistan and detailed clarifications on commitments and service commitments 26. WTO on wheat flour

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
13	Change in public perception towards trade (Contractual)	Outcome	By Gender	Project Survey	Annual	91%	N/A	0	95%	This indicator monitors the change in perception of trade through targeted survey. ATAR intervention, through the development and dissemination of outreach/awareness materials and awareness-raising events reaching the public and private sector, has the expected outcome-level result of an increase in the positive perception of trade in Afghanistan and its benefits. ATAR has not reported on this indicator as of Year 3, as it was anticipated to conduct a third-party national public survey but funding was not available for this purpose. ATAR instead will conduct a survey on targeted populations engaged in trade-related issues at both the public and private sector. ATAR will use as a baseline the "Knowledge, Attitude, and Practice (KAP) Survey of Afghanistan towards Trade" sponsored by USAID/TAFA and conducted by AIR Consulting in September 2010. Specifically, for this indicator, the baseline reports percentage agreement (91%) with the question, "Do you think increased trade creates more jobs, wealth, and economic opportunities?" ATAR will also analyze other survey questions, such as "Do you think that international /regional trade agreements benefit Afghanistan?" which 94% of respondents answered yes in 2010.
IR2: Regional and global integration enhanced										
14	Bilateral and regional agreements are advanced at meetings (Contractual)	Output USAID requested indicator	Type of initia-tive	Project records, MOCI	Quarterly	0	7	0	10	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture bilateral and regional agreements (including MOUs and protocols) advanced at meetings. Advanced indicates some type of tangible result, such as signature, implementation, public launch, removal of a trade barrier, etc., with ATAR support. This indicator name was revised in Y3 to reflect the contract. Previous indicator was: "Number of initiatives on regional integration disaggregated by signed and launched." The results include: 1. Transit and Transport Agreement with Azerbaijan launched 2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers of Afghanistan 4. Trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan launched 5. Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA) 6. India allowed Afghan trucks to unload cargo in Indian territory 7. Lapis Lazuli Trade and Transit Agreement launched (Afghanistan, Azerbaijan, Georgia, Turkey, and Turkmenistan)

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
15	Percentage share of Afghan trade with regional partners	Outcome/ Impact USAID requested indicator	Country	National statistics of countries	Annual	38.8% of total trade	See note	Will be reported next quarter	60%	This indicator will capture the share Afghanistan trade with the regional partners. As per the contract, this indicator is tracking only. ACD trade statistics for 1393 show the following: Country — Percent Total Trade India — 4.3% Kyrgyzstan — 0.2% Kazakhstan — 5.4% Pakistan — 19.5% Tajikistan — 1.3% Turkmenistan — 5.7% Uzbekistan — 4.4% Total Trade with neighboring Countries — 40.7% Note: The government has not made updated information available.
Sub IR2.1: Enabling environment for enhanced access to regional markets established										

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
16	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues (custom)	Output USAID requested indicator	N/A	ATAR project records	Annual	0	27	6	30	This indicator will capture the number of interactions and dialogues between businesses and government organizations in the region on policy reform issues. Results include: 1. Two trade facilitation workshops in the Kyrgyzstan in April and June 2014 2. A session during the Dushanbe business-to-business event related to policy reform involving businesses and government representatives 3. A session led by MOCI/EPPA on March 19, 2014, with women businesses 4. A session at MOCI on July 16, 2014, regarding para-tariffs under SAFTA 5. A session at MOCI on July 17, 2014, regarding issues related to rules of origin 6. Session on regional trade challenges and practices under an export development course in the Kyrgyzstan in May 2014 7. Two roundtables in Kabul with private sector to discuss problems with APTTA 8. Transport and Logistics workshop held in Kyrgyzstan on Dec. 22, 2014 9. Three public-private roundtables in Dushanbe on PATTTA in Feb. and March 2015 10. One public-private forum in Bishkek on the WTO TFA in March 2015 11. A session led MOCI to finalize SAFTA sensitive list in consultation with private sector, ACD, and other ministries 12. Seminar on “Promoting Afghan Exports to South Asia” entailed significant dialogue between 80 businesses and government officials 13. A roundtable in Bishkek on trade facilitation involving Ministry of Economy, border agencies, and traders on April 21, 2015 14. Roundtable in Tajikistan on Aug. 21, 2015 on AEO 15. Co-planned the IRU TIR Roundtable on Aug. 23, 2015 and the TIR National Capacity Building Workshop in Kabul, on Aug. 24-25, 2015. 16. Roundtable with private transport sector in MOCI on TIR, Kabul, on Aug. 10, 2015 17. Roundtable at MOCI with private sector in Aug. 2015 concerning APTTCA meeting 18. Global Supply Chain Forum in Kabul in October 2015 19. Customs Consultative Council on customs security in Bishkek in Oct. 2015 20. Global Supply Chain on Oct. 13, 2015 21. Customs consultative council in Kyrgyzstan in Oct. and Dec. 2015 22. EU regional trade conference in Tajikistan

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
17	Percentage of respondents reporting improved climate for trade (Custom)	Outcome-level	N/A	ACCI/GIZ Business Tendency Survey Report	Bi-annually	33.3% (2013)	31.2% (2014)	19.3 (2015)	35%	This indicator monitors the outcome-level result of the improved climate for Afghan trade, based on ACCI Business Tendency Survey Report, in cooperation with GIZ. The survey asks the managing directors of businesses for their opinions on the current business situation, with disaggregated data on trade, and their expectations for the next six months. This indicator was added to the ATAR M&E results framework during Year 3 of implementation to monitor the outcome of interventions in the trade environment (harmonization, trade facilitation, regulations, procedures, trade/transit agreements), and baseline figure is from the first report from April 2013.
18	Number of proposals accepted to harmonize customs procedures or documents on transit corridors	Output USAID requested indicator	By country	ATAR project records	Annual	0	12	0	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays, including TIR. The indicator will track proposals (documents, procedures, recommendations, etc.) that are accepted. Accepted is defined as a tangible result, such as barriers removed or solved, enactment or implementation of proposals, public launch of initiatives, memorandums signed, or recommendations *accepted.* This indicator was revised in Year 3 to replace the term "discussed" to "accepted". ATAR launched a number of customs harmonization initiatives, including risk management and PCA that are ongoing. 1. Memorandum on information exchange and trade facilitation between Afghanistan and Tajikistan 2. Memorandum on mutual exchange of risk management information in customs matters (Afghanistan, Kyrgyz Republic, and Tajikistan) 3. Modality for single border stop between Afghanistan and Pakistan 4. Recommendations for conformity with WTO TFA in Afghanistan 5. Recommendations for conformity with WTO TFA in Kyrgyz Republic 6. Recommendations for conformity with WTO TFA in Tajikistan 7. Recommendations on advance rulings in Kyrgyz Republic 8. Recommendations on AEO for Uzbekistan 9. Recommendations to improve coordinated border management in Tajikistan 10. Recommendations to Tajik Customs regarding Institutional settings for effective management of post clearance audits and linking audit findings to the risk management system 11. Proposal for establishing AEO in Tajikistan presented to Tajik Customs 12. Modality for Afghan customs operating at Karachi port presented to ACD
Sub IR 2.2: Benefits from enhanced market access expanded										

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
19	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ parti-cipants/ gender	Project records, EPAA	Quarterly	0	976 firms	163	850	Capacity building assistance refers to market research, short-term technical assistance to government and/or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR. ATAR will specifically report on the number of firms sponsored in international trade events, with the outcome tracked in indicator 20. ATAR helped build the capacity of firms detailed below: 1. June 2014 Dushanbe business-to-business event: 45 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, 2. 107 businesses from Dushanbe business-to-business event 3. July 2014 EPAA seminar series on market research and international markets: 10 4. July 2014 seminar series on global logistics: 8 5. Oct 2014 training to prepare for participation in CATF/World Food: 13 6. Feb/Mar 2014 preparatory meetings for CABOC in Afghanistan: 40 7. 20 business attended two trainings on exports in Kabul 8. 110 business attended TIR conference in Kyrgyzstan 9. 81 businesses attended two roundtables and one seminar on export credit 10. 7 businesses were assisted to participate in Domotex 11. 15 businesses participated in India Stone Mart 12. 9 businesses were assisted to participate in Gulfood 13. 9 business participated in Aahar exhibition 14. 10 business were trained on Letter of Guarantee 15. 5 businesses participated in World Food Exhibition in Kyrgyzstan in Nov. 2014 16. 13 businesses were assisted to participate in a craft selling exhibition in Italy 17. 51 businesses comprising of businesses and government officials participated in TIR awareness seminar in Kabul 18. 22 businesses participated in access to finance for trader conference 19. 23 businesses participated in trade finance training 20. 80 private exporters participated in “Promoting Afghan Exports to South Asia” in May 2015 21. 25 carpet producers and exporters business-to-business event co-organized with ABADE 22. 42 Central Asian Trade Forum participants (Afghan firms) in Kyrgyzstan in Oct. 2015 23. 84 Global Supply Chain Forum participants in Afghanistan in Oct. 2015 24. 37 businesses participated in Women and Trade: Opportunities and Challenges in Afghanistan

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achieve-ment (Nov. 2013 to Dec. 2015)	Project Achieve-ment (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
20	Estimated self-reported value of new deals by ATAR supported participants in trade events (Custom)	Outcome	Type of firm/ participants/ gender	Partici-pant self-reporting /actual deals	Quarterly	0	AFN 816 Million	Will be reported next quarter	AFN 680 Million	This indicator tracks the outcome results from ATAR-supported firms in international trade events, recorded by the value of self-reported new deals as well as the actual signed deals. This indicator was added in Year 3 to report on the outcome of ATAR sponsorship and support in such events. This indicator was added in Year 3 to monitor the outcome of ATAR supported participants, reported under indicator 19.
IR3: Revenue generation for fiscal sustainability strengthened through reforms and anti- corruption measures in customs and taxation										
21	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	AFN 380,018 million in 1391	AFN 44,846 million in 1393	Will be reported next quarter	3%	This indicator tracks the overall growth of customs revenue as an expected outcome from implemented reforms and anti-corruption measures. A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. ATAR will report on this indicator, but will not be held accountable for achieving specific results. Statistics are as reported by ACD. Note: The government has yet not made updated data available.
22	Revenue collection by electronic means	Outcome/ Impact USAID requested indicator	ICD	ACD	Annual	0	12%	Will be reported next quarter	75%	This will monitor the collection of revenue by E-Pay as a percentage of total revenue collected. It will be reported in locations where E-Pay system is available (should disaggregate by location, and include new locations as they become available.) Note: The government has yet not made updated data available.

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
23	Revenue leakages due to under-valuation of cargo are reduced. The overall goal is a 50% increase in accuracy in classification and 25% increase in revenues resulting from proper valuation. (Contractual)	Output	N/A	ACD	Annual	TBD	TBD	0	50%	ATAR will field a consultant to research this new indicator to provide a precise definition and a meaningful target. As per the contract, this indicator is tracking only. This indicator was added in Year 3 as per the contract.
24	Ratio of customs revenue collected to GDP (Contractual)	Outcome/ Impact	N/A	ACD	Annual	TBD	TBD	0	20%	This indicator tracks the overall growth of customs revenue collected as a percentage of overall GDP. ATAR will report on this indicator, but will not be held accountable for achieving specific results. This indicator was added in Year 3 as per the contract. Note: The government has not yet made updated data available.
25	Increase in customs (non-tax) revenue (Contractual)	Outcome/ Impact	N/A	ACD	Annual	TBD	TBD	0	TBD	This indicator tracks the overall growth of customs (non-tax) revenue as an expected outcome from implemented reforms and anti-corruption measures. Customs duties only make up a portion of overall revenue collected by ACD. This indicator aims to measure only the collection of customs duties apart from business receipt tax and other taxes collected by ACD. ATAR will report on this indicator, but will not be held accountable for achieving specific results. This indicator was added in Year 3 as per the contract. Note: The government has not yet made updated data available.
Sub IR 3.1: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved *Milestone 3.1 MoU on Mutual Customs Matters signed between Afghanistan and UAE*										

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achieve-ment (Nov. 2013 to Dec. 2015)	Project Achieve-ment (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
26	Number of declaration forms processed in each ICD's in Afghanistan. (contractual)	Output Required by Prime Contract	By ICDS	ACD	Annual	(As of 2012) Hairatan: 66,851 Imports 2,734 Exports Torqundi : Imports: 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175,770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next quarter	Will be reported next quarter	2%	This indicator refers to the number of declarations processed, paying custom duties, disaggregated by import/export and ICD. Note: contract stipulates number of laden vehicles; ATAR is recording declaration forms as laden vehicle data was limited. ATAR will report on this indicator, but will not be held accountable for achieving specific results. Note: The government has not yet made updated data available.

<table>
<tr><th>#</th><th>Indicator</th><th>Type</th><th>Dis-aggregation</th><th>Data Source</th><th>Timing</th><th>Baseline</th><th>Project Achieve-ment (Nov. 2013 to Dec. 2015)</th><th>Project Achieve-ment (Oct. 2015-Dec. 2015)</th><th>Life-of-Project Target</th><th>Definition/Notes</th></tr>
<tr><td>27</td><td>Average customs processing time (Contractual)</td><td>Outcome/ Impact

Required by Prime Contract</td><td>Prov-ince</td><td>ACD World Bank Doing Business report</td><td>Annual</td><td>Herat: 6 hours 17 minutes

Mazar (Balkh ICD): 3hrs 43 minutes

Jalalabad 4 hours 18 minutes

Sher Khan Bandar 2 hours 13 minutes

Aquina 3 hours 21 minutes</td><td>Herat: 1 hour and 18 minutes

Mazar (Balkh ICD): 1hour 20 minutes

Jalalabad 1 hour 03 minutes

HKIA 51 mins

Sher Khan Bandar 1 hours 10 minutes

Aquina 1 hours 27 minutes</td><td>See note. End of Dec. figures stated.</td><td>2 hours at all locations</td><td>This Sub IR indicator is from the World Bank's annual Doing Business report (see the indicator table in the back of the publication). It is a component of the "trading across borders" section, and is comprised of the components called "time to export (days)" and "time to import (days)"
<table>
<tr><th>ICD</th><th>Green</th><th>Yellow</th><th>Red</th></tr>
<tr><td>Mazar (Balkh ICD)</td><td>50 mins</td><td>1hr 20mins</td><td>1hour 50 mins</td></tr>
<tr><td>Aquina ICD</td><td>50 mins</td><td>1 hour 30 mins</td><td>2 hours</td></tr>
<tr><td>Sher Khan Bandar</td><td>40 mins</td><td>1 hour 10 mins</td><td>1 hour 40 mins</td></tr>
<tr><td>Herat</td><td>45mins</td><td>1 hour 25 mins</td><td>1 hour 45 mins</td></tr>
<tr><td>Jalalabad</td><td>40 mins</td><td>1hour</td><td>1hour 30 mins</td></tr>
<tr><td>HKIA</td><td>32 mins</td><td>50 mins</td><td>1 hour 12 mins</td></tr>
</table>
Note: ATAR is not working at Kabul ICD due to security. This indicator encompasses contractual result indicator "time at border reduced"</td></tr>
<tr><td>28</td><td>Number of documents required to export/import goods across borders decreased (4.2.1-17) (Contractual)</td><td>Outcome/ Impact

Required by Prime Contract</td><td>Import, export</td><td>The current source is the World Bank Doing Business report. ACD did not yet confirm numbers.</td><td>Annual</td><td>10 Import/ 10 Export (World Bank Doing Business report 2014)</td><td>10 Import/ 10 Export (World Bank Doing Business report 2015)</td><td>10 Import/ 10 Export (World Bank Doing Business report 2016)</td><td>Tracking only</td><td>Reduction in the number of documents required to trade goods across borders as imports or exports; change in the total number of documents required as per World Bank Doing Business Indicator, confirmed by the Mission. Reducing the number of different documents required in cross border trade is key to maximizing the improved efficiency that trade generates as a basis for faster economic growth and poverty reduction. Business report.

Based on the 2016 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.</td></tr>
</table>

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
29	Number of steps reduced or streamlined at border (Contractual)	Outcome/ Impact	By BCP/ICD	ACD	Annual	0	13	Remains at 13	13 total steps (as per national blueprint)	The number of steps reduced or streamlined is related to the implementation of the national blueprint decree of 13 total steps and working with the Director General and regional directors to ensure that any extra steps are removed. This indicator will report at the Border Crossing Points (BCPs), but the main focus will be at the ICDs where ATAR is working to implement risk management strategies, so that compliant traders are routed to green and those that are non-compliant / higher risk go either to yellow or red lane. It is expected that another implementing partner (or the World Bank) will implement the single window concept at BCPs. This will impact on reducing time at BCPs. This indicator was added in Year 3 as per the contract.
30	Time to export/ import (days)	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD did not yet confirm numbers.	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	18 days, import, 12 days, export (World Bank Doing Business report 2016)	Tracking only	The time necessary to comply with all procedures required to export goods. If a procedure can be accelerated for an additional cost, the fastest legal procedure is chosen. Doing Business compiles procedural requirements for exporting a standardized cargo of goods by ocean transport. Documents associated with every official procedure are counted—from the contractual agreement between the 2 parties to the delivery of goods—along with the time and cost necessary for completion. For exporting goods, procedures range from packing the goods at the warehouse to their departure from the port of exit. The time and cost for ocean transport are not included. Payment is made by letter of credit, and the time, cost and documents required for the issuance or advising of a letter of credit are taken into account. The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators. Note: 2016 Doing Business reports time of import and export as follow. Time to export: Border compliance (hours 48) Time to export Documentary compliance (hours 243). Time to import: Border compliance (hours 960 Time to import Documentary compliance (hours 336). Total number of hours divided by 24.
31	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	3	0	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline. Those implemented under ATAR are according to international best practice. 1. E-payment has been implemented at two locations. 2. Hotline has been re-activated. Outreach campaign will be in next quarter. 3. ANCA Standard Operating Procedures agreed with ACD

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
32	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	1	0	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management. Note: This will be a priority in the next period. ATAR will undertake an informal review of the current systems in place for risk profiling, risk management profiles (part of internal audit unit review to improve internal compliance), risk registers etc.
33	Number of training modules developed by ATAR	Input USAID requested indicator	None	ATAR project records	Annual	0	26	0	45	This indicator captures number of modules ATAR developed in support of ANCA. Training modules developed: 1. Basic Risk Management; 2. Intermediate Risk Management; 3. Risk Profiling; 4. Valuation Fraud; 5. Valuation (Basic); 6. Professional Standards; 7. PCA Awareness / Implementation; 8. Compliance for Senior Management; 9. Mobile Verification Team; 10. Vehicle Search; 11. Coach Search; 12. Airport; 13. Freight; 14. Compliance and Risk Management; 15. Audit Procedures and Working Papers; 16. PCA process; 17. Operational and Tactical Audit Planning; 18. Time Management Planning; 19. Problem Solving Advanced; 21. Effective Meetings-Participating and Chairing; 22. Management Presentation Skills; 23. Leadership; 24. Influence; 25. Decision Making; 26. Staff Motivation; 26. Management Delegation.
34	Number of audit cases selected using risk-based criteria (Contractual)	Output	N/A	ACD	Annual	0	0	0	40	All post clearance audit will be selected using risk-based criteria. This indicator was added in Year 3 as per the contract. Note: It is expected that the PCA Team will begin audits mid 2016
35	Share of cases yielding additional assessment (revenue) to cases selected for audit (Contractual)	Outcome/ Impact	N/A	ACD	Annual	0	0	0	30%	This indicators states percentage. ATAR will also track additional revenue collected during the risk-based audits. This indicator was added in Year 3 as per the contract. Note: It is expected that the PCA Team will begin audits mid 2016
Cross Cutting/Gender										

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
36	Person hours of training completed in trade and investment enabling environment supported by USG assistance	Operational indicator Output Required by Prime Contract	Gender	Project training records/sign-in sheets	Monthly	0	158 trainings (2,888 participants including 2,296 male and 592 female) 21,519 person hours of training	24 trainings (455 participants including 294 male and 161 female) 2,971 person hours of training	141 trainings /1,410 participants	This indicator tracks all USG-supported trainings under ATAR. This indicator uses the following equation to express the number of USG-supported training hours that were completed by training participants: Hours of USG supported training course x Number of people completing that training course. Support from the USG: This indicator counts training hours that were delivered in full or in part as a result of USG assistance. This could include provision of funds to pay teachers, providing hosting facilities, or other key contributions necessary to ensure training was delivered. Note: This indicator encompasses contractual indicator "Number of US supported training events held that relate to improving the trade and investment environment, number of participants (female/male), and person days of training". For accuracy, ATAR is reporting on training hours instead of days, as well as USAID Standard F indicator 4.2.1-19.
37	Person-days of training of key personnel in trade and customs regulation	Output USAID requested indicator	Province, Gender	Project records	Quarterly	0	186 days	0	213 days	This indicator tracks only the trade related customs trainings in number of days as per Afghan Info requirement. These trainings are also reported under indicator #36.
38	Percentage of participants reporting increased knowledge and skills in trade, transit, or customs (Custom)	Outcome	Gender	Post training assessment questionnaire	Quarterly	0	85%	0	95%	This indicator tracks the outcome of ATAR training events that are substantial in capacity building and duration. The project will monitor increased knowledge and skills through pre-/post-testing where applicable, or through self-reported post-surveys. This indicator was added in Year 3 to strengthen the monitoring of the outcomes of training events.

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achieve-ment (Nov. 2013 to Dec. 2015)	Project Achieve-ment (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
39	Number of public events held to discuss trade and business policy matters with stake-holders, the public, and the private sector	Output Required by Prime Contract	Prov-ince, gender	Project records	Quarterly	0	213 events (partici-ipants include 1,963 males, 356 female)	6 events (partici-ipants include 38 males, 0 female)	280	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, roundtable discussions, and other trade gathering.

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
40	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	N/A	Project records	Quarterly	0	19	2	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator. The results to date include: 1. Consultative meeting on Feb. 22 with fruit and vegetable businesses 2. Consultative meeting on March 3 with handicraft, carpet, gemstones, and marble businesses 3. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 4. Consultative meeting with Kabul Chamber of Commerce and Industries regarding customs valuation practices 5. Working group for development of implementing regulations for food safety law 6. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment 7. Working group on developing implementing legislation for the law on animal health 8. Consultative meeting on sensitive list with stakeholders 9. Consultative meeting with Afghan Marble Association on problems faced by marble sector 10. Consultative meeting with the Ministry of Transport on revising transport laws in the context of TIR 11. Consultative meeting with MOCI on reactivation of TIR 12. Customs Consultative meeting in Bishkek between customs and traders on June 18 13. Consultative working group on trade facilitation Lake Issyk-Kul June 15-16 14. Roundtable in Tajikistan on Post Clearance Audit in Sept. 2015 15. Roundtable with private transport sector in Ministry of Commerce and Industries on TIR, Kabul, on 10 August 2015 16. Consultative process Aug 15 with Afghan Marble Association on removing ban on export of marble in rough form. 17. Roundtable at MOC with private sector early August concerning APTTCA meeting 18. Customs consultative Council on customs security in Bishkek in Oct. 2015 19. Customs consultative council in Kyrgyzstan in Oct. and Dec. 2015

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
41	Number of females who report increased self-efficacy at the conclusion of USG supported training/programming.(GNDR-3 F indicator)	Outcome USAID requested indicator	None	Post-program self-assessment questionnaire	Annual	0	0	Will be reported next quarter	200	This indicator measures the percentage of females who report increased self-efficacy through post-surveys of GIROA internships and possibly other substantial trainings, to also monitor the effectiveness of the Gender Action plan. This indicator was added in Year 3.
42	Number of permanent professional positions allocated for women within MOCI, ACD, ANSA, MAIL and MOPH	Output USAID requested indicator	N/A	GIROA	Quarterly	173	0	0	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020. Originally, this indicator was tracking only positions at ACD, but has been revised in Y3 to include all ATAR-related counterpart ministries and departments. This indicator was revised in Year 3 to expand from monitoring permanent positions at ACD to all ATAR counterparts. Note: The recruitment of females is dictated by the Ministry of Finance tashkeel.
43	Number of interns completing a six-month internship at GIROA	Output USAID requested indicator	Gender	GIROA/ ATAR records	Quarterly	20	35	16	100	ATAR will support GIROA to implement an internship program at counterpart ministries and departments for university women. The internships will be headquarter-based rotational placements for a period of six months. Originally, this indicator was tracking only internships at ACD, but has been revised in Y3 to include all ATAR-related counterpart ministries and departments. This indicator was revised in Year 3 to track all interns, disaggregated by gender, from just ACD to all counterparts. Note: ATAR in quarter four hired 16 interns (10 female and 6 male)

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
44	Percentage of Afghan long-term female staff employed on ATAR (Custom)	Output	N/A	ATAR HR	Quarterly	8%	12% (total long term staff during this quarter 58 Male: 51 Female: 7)	12% (Total long term staff during this quarter 58 Male: 51 Female: 7)	20%	As part of the gender action plan, ATAR is focusing efforts to increase the representation of women on its professional staff to increase capacity building in trade and customs related activities and project management. This indicator will monitor the percentage of female professional staff as part of all ATAR professional staff. This indicator was added in Year 3.
45	Percentage of participants reporting increased agreement with the concept that males and females should have equal access to trade and customs [social, economic, and political] opportunities (GNDR 4 F-indicator)	Outcome	Gender	Project Survey	Annual	59% TAFA KAP survey 2010	N/A	0	65%	As part of the gender action plan, ATAR recognizes that comprehensive gender integration may be a new area of intervention for some counterparts. As such, in order to successfully initiate change, increasing understanding and awareness of gender equality issues within the trade sector in Afghanistan will be imperative. This indicator will track the outcomes of the gender action plan with attitudes about equal access for males and females to trade opportunities. It is also a USAID standard F-indicator for gender. As a placeholder for the baseline, ATAR is citing the "Knowledge, Attitude, and Practice (KAP) Survey of Afghanistan towards Trade" sponsored by USAID's Trade Accession and Facilitation for Afghanistan (TAFA) project in September 2010. Specifically, for this indicator, the survey reports a percentage agreement of 59% with the question, "Would you do business with a female trader?" without reservation (an additional 20% said yes if they knew the female trader). This indicator was added in Year 3.

#	Indicator	Type	Dis-aggregation	Data Source	Timing	Baseline	Project Achievement (Nov. 2013 to Dec. 2015)	Project Achievement (Oct. 2015-Dec. 2015)	Life-of-Project Target	Definition/Notes
46	Percentage of participants reporting increased understanding and knowledge of gender-related issues in trade (Custom)	Outcome	Gender	Post-training survey	Quarterly	N/A	N/A	0	100%	As part of the gender action plan, ATAR recognizes that comprehensive gender integration may be a new area of intervention for some counterparts. As such, in order to successfully initiate change, increasing understanding and awareness of gender equality issues within the trade sector in Afghanistan will be imperative. This indicator will track the outcomes of the gender awareness trainings as presented in the gender action plan. Through post-surveys, the indicator will report the percentage of participants reporting an increased understanding and knowledge of gender-related issues in trade. This indicator was added in Year 3.
47	Number of outreach materials developed and disseminated on gender-related issues in trade, transit, or customs (Custom)	Input	N/A	Project records/ actual outreach material	Quarterly	N/A	N/A	0	6	As part of the gender action plan, ATAR recognizes that comprehensive gender integration may be a new area of intervention for some counterparts. As such, in order to successfully initiate change, increasing understanding and awareness of gender equality issues within the trade sector in Afghanistan will be imperative. This indicator will track the number of outreach and awareness materials on gender-related issues in trade as part of the gender action plan. This indicator was added in Year 3.

G. COLLABORATION

Links with Relevant Afghan Government Ministries

ATAR's success is dependent on its close relationship with the Afghan government, specifically MOCI, ACD, and other ministries and government agencies relevant to Afghanistan's WTO accession and trade environment. ATAR had staff embedded at ACD and MOCI to work with the entities regularly, but the staff faced frequent security challenges. ATAR's expatriate staff was unable to embed at ACD due to security restrictions; the expatriate staff conducted meetings and short visits as possible and relied on local staff that remained embedded with intermittent restrictions.

Despite the security issues, ATAR continued working closely with ACD, MOCI, MOJ, and other relevant ministries and related entities such as MAIL and MOPH by conducting meetings, trainings, and working groups to ensure that government officials were part of the decision-making process and had a thorough understanding of topics such as WTO activities (including draft laws, regulations, and procedures).

Links with Other Donor Agencies

In support of the project's activities in Central Asia, ATAR continued to work with other donor agencies, in particular GIZ. In Tajikistan, ATAR worked with GIZ and Tajik Customs to prepare an action plan for the development of outstanding customs regulations. Also in Tajikistan, ATAR delivered three presentations and moderated workshops at a regional trade facilitation conference organized by EU-BOMNAF for Afghan and Tajik government officials and donor representatives.

In Afghanistan, ATAR worked with UN Women to support the participation of women traders in the India International Trade Fair in November in New Delhi, India. ATAR also began work with UN Women to support the participation of businesswomen in the Gulfood Exhibition in Dubai in February 2016.

Links with Other USAID Projects

In Afghanistan, ATAR liaised with USAID's CHAMP, RADP-S, RADP-W, Promote, and FAIDA on events and activities. ATAR involved the USAID projects in its seminar on women in trade, access to finance, and the global supply chain. ATAR also began working with the USAID projects to support Afghanistan's participation in Gulfood in Dubai in February 2016 and in the "Made in Afghanistan" event that will occur in India in 2016.

In Central Asia, ATAR was co-located with USAID's REC project at the Chemonics' office in Tashkent, Uzbekistan, and continued to coordinate on regional trade activities. ATAR facilitated participation of 24 Afghan businesses and an Uzbek customs official in the Central Asia Trade Forum organized by USAID's REC project in Almaty, Kazakhstan. In Turkmenistan, ATAR discussed possible logistical support in delivering fruit and vegetables to Turkmenistan for Afghan exporters working with USAID's RADP-W.

H. MANAGEMENT AND ADMINISTRATIVE MATTERS

Personnel

The Component 1 Deputy Team Manager position was filled during the quarter. Recruitment for the Component 1 Team Manager was pending as of the end of the quarter.

Modifications and Amendments

ATAR's contract was modified through Modification 6 in October primarily to revise the project's reporting requirements and modified through Modification 7 in December primarily to de-scope value-added tax and grant activities.

ANNEX A: PRESS RELEASE

WTO APPROVES AFGHANISTAN'S ACCESSION TERMS

For Immediate Release

Thursday, December 17, 2015

Kabul, Afghanistan – The World Trade Organization (WTO) formally adopted Afghanistan's terms of accession into the renowned multilateral trading organization at the WTO's 10th Ministerial Conference on December 17 in Nairobi, Kenya. Afghanistan will have until June 2016 to ratify the deal and formally become WTO's 164th Member, joining a global trading organization that accounts for about 95 percent of the world's commerce.

In preparation, Afghanistan engaged in ambitious legal and administrative reforms in areas such as trade policy, customs, food safety, animal and plant health, intellectual property, and standardization. These reforms will benefit Afghan consumers and businesses as well as foreign firms seeking to do business with Afghanistan. Afghanistan also concluded bilateral market access negotiations on goods and services with nine WTO Members (Canada, Chinese Taipei, the European Union, Japan, the Republic of Korea, Norway, Thailand, Turkey, and the United States).

"I would like to assure you that Afghanistan is committed to playing by the rules of the multilateral trading system," said Afghanistan's Minister of Commerce and Industries Humayoon Rasaw at WTO's headquarters in Geneva prior to the Nairobi meeting. "We view adherence to WTO agreements as critical for strengthening the rule of law, increasing transparency, and building the foundation for sound economic development in Afghanistan."

WTO membership will open lucrative markets for Afghanistan and provide a number of rights for the landlocked country, including the critical right to transit. WTO membership will send a signal that Afghanistan has established a predictable, transparent, and cost-efficient business environment that upholds the rule of law and protects investor rights.

"As we acknowledge the importance of this development, we want to congratulate Afghanistan in becoming a member of the WTO," said U.S. Ambassador P. Michael McKinley. "The government of Afghanistan has not only met most of the requirements for membership but has undertaken reforms that will benefit Afghan consumers and businesses. By joining the WTO, Afghanistan also becomes more attractive to investors and facilitates the growth of trade and economic ties with the region. Afghanistan's people and businesses will benefit from greater job opportunities, administrative transparency, and confidence in the future."

USAID has worked closely with the Afghan government and private sector since 2009 and will continue supporting Afghanistan in fulfilling its WTO commitments following membership through the Afghanistan Trade and Revenue (ATAR) project.

Press Release - WTO Approves Afghanistan's Accession Terms (Dari) [DOCX, 83K]

USAID | AFGHANISTAN
FROM THE AMERICAN PEOPLE

Afghanistan Trade and Revenue (ATAR) Project
Contract No. AID-OAA-I-12-00035

Year 2 Annual Report



Dec. 12, 2015

This annual report is made possible by the support of the American people through the United States Agency for International Development (USAID Afghanistan). The contents of this annual report are the sole responsibility of Chemonics and do not necessarily reflect the views of USAID or the United States Government.

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ACRONYMS

ABBAT	Association of International Transport Operators of Tajikistan
ACBR-IP	Afghanistan Commercial Business Registry-Intellectual Property
ACCI	Afghanistan Chamber of Commerce and Industry
ACD	Afghanistan Customs Department
ADB	Asian Development Bank
ADBL	Association for Development of Business Logistics
AEO	Authorized Economic Operator
AIATT	Association of International Transport Operators of Tajikistan
AMA	Afghan Marble Association
ANCA	Afghanistan National Customs Academy
ANSA	Afghanistan National Standards Authority
APTTA	Afghanistan-Pakistan Transit Trade Agreement
APTTCA	Afghanistan-Pakistan Transit Trade Coordinating Authority
ASYCUDA	Automated System for Customs Data
ATAR	Afghanistan Trade and Revenue Project
BMM	Border Management Model
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CATF	Central Asia Trade Forum
CBTA	Cross-Border Transport of Persons, Vehicles, and Goods
CCC	Customs Consultative Council
CHAMP	Commercial Horticulture and Agriculture Program
CLDP	Commercial Law Development Program
CPMM	CAREC Corridor Performance Management and Monitoring
CSO	Central Statistics Organization
DAB	Da Afghanistan Bank
EIF	Economic Integration Forum
E-Pay	Electronic Payment
EPAA	Export Promotion Agency of Afghanistan
FAIDA	Financial Access for Investing in the Development of Afghanistan
FICCI	Federation of Indian Chamber of Commerce and Industries
GAIN	Global Alliance for Improved Nutrition
GIROA	Government of the Islamic Republic of Afghanistan
HKIA	Hamid Karzai International Airport
ICD	Inland Clearance Depot
ICU	Internal Compliance Unit
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MEDT	Ministry of Economic Development and Trade
MOCI	Ministry of Commerce and Industries
MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOTCA	Ministry of Transportation and Civil Aviation
MOPH	Ministry of Public Health
MOU	Memorandum of Understanding
NAEC	National Agriculture Education College
OSCE	Organization for Security and Co-operation in Europe
PATTTA	Pakistan Afghanistan Tajikistan Transit and Trade Agreement
PCA	Post Clearance Audit

PPQD	Plant Protection and Quarantine Department
PSU	Professional Standards Unit
RADP-W	Regional Agricultural Development Program-West
REC	Regional Economic Cooperation project
SAARC	South Asia Association for Regional Cooperation
SAFTA	South Asian Free Trade Area Agreement
SATIS	SAARC Agreement on Trade in Services
SOP	Standard Operating Procedure
TAFA	Trade Accession and Facilitation for Afghanistan Project
TBT	Technical Barriers to Trade
TFA	Trade Facilitation Agreement
TIFA	Trade and Investment Framework Agreement
TIR	Transports Internationaux Routiers
TPAU	Trade Policy Analysis Unit
TRIPS	Trade-Related Aspects of Intellectual Property Rights
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

A. PROJECT OVERVIEW

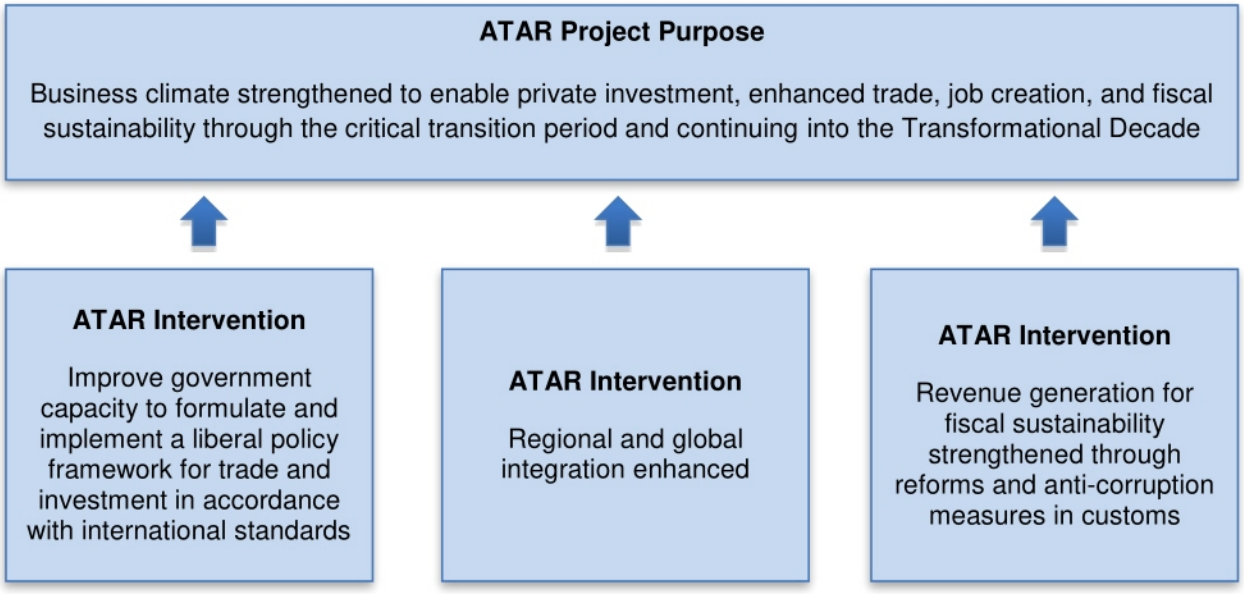
Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global trading market. ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is based in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support regional customs activities as well as a presence in Tajikistan, Kyrgyzstan, Turkmenistan, and Uzbekistan to strengthen Afghanistan's ties in Central Asia. ATAR also supports the Afghan government and Afghanistan's traders in improving linkages with India and Pakistan.

ATAR PROJECT MAP



In order to help Afghanistan fulfill its trading potential, ATAR is assisting the government to integrate Afghanistan into the international trading community through membership to the World Trade Organization (WTO), helping the country take advantage of its position on the famed Silk Road, and revamping its customs procedures to reap the full benefits of regional and international trade. This improved business climate will pave the way for private investment, enhanced trade, job creation, and fiscal sustainability in the country.

ATAR SCOPE OF WORK[1]



ATAR is achieving its goal with its institutional partners through three components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan's trade regime by supporting its accession to the WTO. This support is accomplished by building capacity and providing technical assistance within implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will attract investment and enable the private sector to grow.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists the government to support measures needed to implement regional trade agreements; and (3) supports the implementation of transport corridors and trade facilitating measures by working with countries such as Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan.

Component 3: Improved Customs Administration

Component 3 will enhance the Afghan government's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.

[1] ATAR's scope of work is specified in its prime contract.

B. EXECUTIVE SUMMARY

ATAR is pleased to present this annual report covering activities for the project's second year from Nov. 7, 2014, through Nov. 6, 2015.

In the face of political challenges and volatile security, the Afghan government and private sector, in close partnership with ATAR, took significant strides in improving the country's trading environment and realizing the nation's full potential in the global market. As a result of ATAR's efforts in its second year, Afghanistan reached its final stage of WTO accession, strengthened trade and transit relationships with its South and Central Asian neighbors, and aligned with international best practices by enabling the electronic payment of customs duties.

Among the highlights of the project's second year:

Component 1: Support Trade Policy Liberalization

- In a major development, President Ashraf Ghani expressed his support for WTO accession and agreed to move forward with concluding WTO accession negotiations by the end of 2015. President Ghani's approval followed high-level meetings with the Ministry of Commerce and Industries (MOCI) and ATAR and the provision of multiple awareness papers and analyses developed by the ministry and the project.

- With ATAR support, the Afghan government successfully scheduled its fifth and final WTO Working Party meeting for Nov. 11, 2015, in Geneva, Switzerland. WTO Working Party members negotiating Afghanistan's accession are expected to adopt its package *ad referendum*. Final adoption will occur by WTO Ministers in December 2015, and the Afghan government will ratify the WTO accession package by June 2016.

- ATAR built Afghanistan's capacity to implement trade-related legislation that is vital to WTO membership. ATAR provided on-the-job training as well as dozens of workshops, seminars, and working group meetings to build government capacity to implement the laws and to educate public and private stakeholders about the legislation, which will help create a liberal, trade-friendly environment.

Afghanistan and the WTO

The objective to make Afghanistan a regional trade and transit hub and achieve sustainable economic growth through trade and investment cannot be achieved without broader integration into the world economy through WTO membership.

WTO accession was one of the main themes in the Afghanistan National Development Strategy, which was signed by President Karzai in 2008 and accepted by the World Bank as part of Afghanistan's Poverty Reduction Strategy Paper. In addition, accession by 2014 is one of the conditions of the Tokyo Conference.

More than two-thirds of WTO members are developing or least-developed countries. Many experienced an increase in investments and exports after joining WTO.

- Due to ATAR's collaboration with the Ministry of Justice (MOJ) and related ministries, the Afghan government made substantial progress in passing WTO-related laws. Among the achievements, President Ghani signed amendments to the Law on Trademarks and the Law on Geographical Indications, and the laws entered into force in Afghanistan; the Upper House of Parliament approved the Law on Plant Protection and Quarantine, and the law proceeded to President Ghani for signature; the Council of Ministers approved the Law on Consumer Protection, and the Cabinet approved the Law on Industrial Designs; and MOJ submitted the Law on Patents, the Law on Industrial Designs,

and the Protection of Trade and Industry Secrets Law to the next level of the Council of Ministers and the Cabinet[2].

- To further reduce statistical discrepancies in Afghanistan's official trade figures, ATAR held six trainings for staff from the Central Statistics Organization (CSO), the Afghanistan Customs Department (ACD), and other stakeholders and provided 80 hours of computer training for the trade specialists. As a result, discrepancies in trade figures for Afghanistan dropped from about 30 percent at the start of ATAR to around 12 percent at the end of the project year.

- ATAR worked in partnership with MOCI's WTO Unit to raise awareness of the benefits and challenges of WTO accession. ATAR and MOCI delivered awareness presentations to members of academia, the government, and the private sector and developed multiple awareness papers to support the Afghan government in educating stakeholders. ATAR used the trainings to build the capacity of the WTO Unit to spread awareness of WTO following Afghanistan's accession in 2016.

Component 2: Facilitate Enhanced Access to Regional Markets

- MOCI worked with ATAR to develop a proposal to extend the Afghanistan Pakistan Transit Trade Agreement (APTTA) to Tajikistan, making it the Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA). With ATAR support, Afghanistan, Pakistan, and Tajikistan held two trilateral meetings, and Afghanistan and Tajikistan held one bilateral meeting to progress the proposed agreement. ATAR supported both Afghanistan and Tajikistan in negotiations and in developing counterproposals.

- ATAR supported the Export Promotion Agency of Afghanistan (EPAA) and Afghanistan's private sector in participating in six high-profile international exhibitions, including a six-month world food exhibition in Milan, Italy. The events raised awareness of Afghanistan's export products among international buyers, built the marketing skills of Afghan traders, and led to business contacts and millions of dollars in business deals for the Afghan traders.

- ATAR raised awareness of the public and private sector with seminars, trainings and workshops on a range of trade and transit issues, including the Transports Internationaux Routiers (TIR) Convention, global supply chains, export opportunities in South Asia, and trade finance mechanisms. ATAR also assisted EPAA in preparing a framework for a long-term national export strategy and product-specific strategies for expanding Afghanistan's market in India.

- Following ATAR's efforts to encourage and aid Pakistan in joining the TIR Convention, Pakistan's government submitted its instrument of accession to the TIR Convention in July 2015. The accession is expected to be approved in January 2016. ATAR worked with Afghanistan to provide Pakistan with relevant TIR information at the TIR National Workshops in Karachi and Islamabad. Following the workshops, ATAR continued to advise Pakistan's TIR Commission and developed an accession roadmap for the country's TIR Commission to consider.

- ATAR facilitated the re-activation of the ratification process of Afghanistan's protocol of accession to the Cross-Border Transport Agreement (CBTA) in Kyrgyzstan. As result of ATAR efforts, the

[2]Under the new National Unity Government, there are two parallel bodies: the Council of Ministers and the Cabinet. Chief Executive Officer Abdullah chairs the Council of Ministers, and President Ghani chairs the Cabinet. Under the prior government, only a Council of Ministers existed.

Kyrgyz Ministry of Foreign Affairs sent Afghanistan's protocol of accession to the Kyrgyz Ministry of Transport and Communications after receipt from Afghanistan. The Ministry of Transport and Communications launched the process of inter-ministerial approval and said it received endorsements from all relevant ministries and sent a letter to the Ministry of Justice for further approval by the Kyrgyz government.

- ATAR worked in Kyrgyzstan to build greater awareness and support for the ratification and implementation of the WTO Trade Facilitation Agreement (TFA). As a result of ATAR's efforts, the Ministry of Economy established a Trade Facilitation Working Group and held regular TFA-related meetings throughout the year.

- ATAR successfully managed to reinvigorate Kyrgyzstan's Customs Consultative Council, which provides a forum for discussion between customs and the trading community and customs brokers. As a result of ATAR's efforts, Kyrgyz customs held the first Customs Consultative Council in late 2014 and held additional meetings throughout the year with ATAR support.

- ATAR worked closely with Tajik Customs to comply with the World Customs Organization (WCO) revised Kyoto Convention (RKC) and the WTO TFA – building capacity in risk management and post clearance audit functions, developing and raising awareness of an authorized economic operator concept, and conducting a review and preparing recommendations on Tajikistan's one-stop-shop model implemented at the border crossing posts.

Why Central and South Asia?

Afghanistan and the four Central Asian Republics (CARs) –Tajikistan, Uzbekistan, Kyrgyzstan, and Turkmenistan – are landlocked economies that rely on each other to access markets and open seas.

Afghanistan can improve connectivity among these nations by providing the CARs with the shortest route to seaports on the Arabian Sea; Afghanistan can bridge South Asia (Pakistan and India) with Central Asia and China, and it can facilitate east-west access (Tajikistan-Turkmenistan). CARs, on the other hand, are critical for Afghanistan to access Europe, China, and the Mediterranean Sea.

South Asian nations are among Afghanistan's most critical trading partners. Pakistan and India account for roughly 50 percent of Afghanistan's exports. In addition, Pakistan is vital for Afghanistan to access India, China, and the Arabian Sea.

- In a significant development in Uzbekistan, ATAR delivered training for Uzbekistan's Customs Committee. This was the first event of any kind held by USAID directly with Uzbek customs for more than a decade. The program familiarized Uzbek customs with modern border management concepts, including risk management and assessment, advance information, authorized economic operators, supply chain security, information exchange, and compliance measurement.

- ATAR organized the Modern Transport and Logistics Workshop in Bishkek, Kyrgyzstan. The event brought together 110 customs and transport officials, carriers, truck operators, freight forwarders, logistics service providers, and warehouse and storage operators from Afghanistan, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. ATAR also participated and presented at multiple regional trade and transit workshops organized by other donors and projects.

Component 3: Improved Customs Administration

- With ATAR support, ACD and Da Afghanistan Bank (DAB) launched the electronic payment of customs duties at Hamid Karzai International Airport and Kabul Inland Clearance Depot. Traders importing goods through those sites can now pay their duties and taxes at any commercial bank in Afghanistan. Major communications companies such as Etisalat, MTN, AWCC, and Roshan are using E-Pay to pay their customs duties. Revenue generated from E-Pay now comprises more than 25 percent of total revenue collected at the airport.

- ATAR obtained approval from the new Deputy Minister of Finance and ACD's new Director General on a three-pronged strategy to enhance compliance through the implementation of an Internal Compliance Unit, a Professional Standards Unit, and reform of existing Post Clearance Audit (PCA) activities. Both the Deputy Minister and Director General said the proposed measures would have a significant impact upon malfeasance in ACD. It is expected preparatory work will begin on the units early in the third project year.

- Through ATAR support, ACD began moving toward the development and implementation of a PCA function aligning with international best practices. ATAR prepared a gap analysis detailing the status of Afghanistan's current PCA activities and requirements to meet best practices and submitted a PCA implementation action plan to ACD. ACD began a PCA working group, which met throughout the latter half of 2015. ATAR also supported ACD's PCA Department through workshops and training as part of a capacity building program.

Customs: Afghanistan's Main Revenue Source

Reform and modernization programs or capacity building programs assist a customs administration to make better use of its resources; strengthen its management capabilities; and develop effective and efficient systems, processes, and structures.

This is especially vital in Afghanistan at a time of declining donor support. Customs revenue comprises almost 50 percent of the Afghan government's budget. ACD recognizes a portion of that revenue stream is lost to corruption and is working with ATAR to implement automated systems, such as electronic payment of duties, to stem the loss.

- ATAR supported the Afghanistan National Customs Academy (ANCA) through the development of training modules for inclusion in the ANCA curriculum. ATAR developed "how to deliver" training modules with trainers' notes on topics including mobile verification teams, risk management, intelligence, selectivity and targeting, and pocket notebooks. ATAR will deliver training to the ANCA trainers so they can learn how to deliver the technical content of the courses.

C. COMPONENT 1: TRADE POLICY LIBERALIZATION

1. Support WTO Accession Process

Afghanistan was in the final stages of WTO accession at the end of 2014, but the country's government underwent a thorough transition from the highest level of the Office of President to senior-level positions at the ministries following the resolution to the disputed and protracted presidential elections. With a change in the country's top-most decision-makers, the Afghan government put the country's WTO accession on hold for much of 2015.

Afghanistan's WTO Journey

Afghanistan's journey towards WTO accession started in 2004. The process was dormant during 2004 to 2009. From 2010 through mid-2014, Afghanistan made remarkable progress toward accession.

The capacity of ministries and private-sector actors was built to navigate the complex process of becoming a WTO member. Four successful WTO Working Party meetings were held. The evolution of the draft Working Party Report from Elements of the Factual Summary took just over one year; this process has taken four to five years for other countries. Agricultural plurilateral negotiations concluded in one round versus four to five rounds on average. Bilateral negotiations on market access on goods and services concluded in February 2014 with ATAR support. The WTO hailed the record-breaking progress.

By mid-2015, government officials began to turn their attention back to the matter of accession. ATAR worked to update these newly appointed officials on Afghanistan's progress toward WTO accession and the benefits of membership.

MOCI Deputy Minister Mozammil Shinwari, with ATAR support, gave a presentation in August 2015 to the newly appointed Minister of Commerce and Industries Humayoon Rasawand other deputy ministers and directors on WTO commitments, benefits, and challenges. This followed two earlier presentations by ATAR to the Minister. The Minister was convinced of the need to accelerate WTO accession.

Two days following Deputy Minister Shinwari's presentation to Minister Rasaw, President Ghani's office for the first time requested from MOCI Afghanistan's WTO accession documents. MOCI sent the documents, along with notes on the benefits and importance of WTO accession for Afghanistan, to the President. MOCI and ATAR began working to schedule a presentation at President Ghani's office on WTO commitments, benefits, and challenges. At the same time, ATAR assisted MOCI and other ministries in preparing replies to 90 WTO questions that were mainly aimed at fine-tuning Afghanistan's draft Working Party Report.

In late September and early October 2015, ATAR and MOCI met several times with members of President Ghani's economic policy and strategy team, including National Economic Advisor Omar Zakhilwal. In support of the interactions with the President's office, ATAR assisted MOCI in preparing and providing about 15 awareness papers, formal WTO documents, talking points, and notes on WTO accession.



In a major development, President Ghani agreed to move forward with concluding WTO accession negotiations in 2015.

In early October 2015, MOCI and ATAR met with President Ghani and his advisors to discuss WTO commitments, benefits, and challenges. In a major development, President Ghani expressed his support

for WTO accession and agreed to move forward with concluding WTO accession negotiations in 2015.

Following President Ghani's approval to move forward with WTO accession, ATAR assisted MOCI and the WTO Secretariat in finalizing Afghanistan's draft Working Party Report. The WTO Secretariat disseminated the report to WTO Working Party members on Oct. 20, 2015, along with three other documents of the accession package: the protocol of accession, the schedule of concessions and commitments and goods, and schedule of specific commitments on services.

Afghanistan's fifth and final Working Party meeting was scheduled for Nov. 11, 2015. ATAR will accompany and guide the negotiations team during the fifth Working Party meeting in Geneva, Switzerland. Working Party members are expected to adopt Afghanistan's accession package *ad referendum* at the meeting[3].

Final adoption of the package will occur by the WTO Ministers at the 10th Ministerial Conference in Nairobi, Kenya, on Dec. 15-18, 2015. After adoption *ad referendum* by the Working Party and final adoption at the Nairobi Ministerial Conference, the Council of Ministers of Afghanistan will approve Afghanistan's WTO accession package and submit it to the National Assembly for ratification by June 2016.

2. Support Legislative Reforms for WTO Conformity



As part of the WTO accession process and membership to the organization, the Afghan government must pass a wide array of legislation to conform to WTO rules and to meet Afghanistan's commitments. To this end, ATAR continued providing legal support on more than 26 key pieces of legislation. These diverse laws, detailed in Annex B: WTO Legislative Action Chart, cover every aspect of a modern, vibrant trading regime – including customs reform, trade facilitation, intellectual property rights, food safety, and standardization.

ATAR continued to assist the Afghan government at every stage of the legislative process from line ministry to Parliament. This lengthy, complex process is presented in simplified form in the chart.[4] The law is first drafted at the relevant line ministry – such as the ministries in charge of agriculture or public health. Then the law is submitted to

[3] At the time of this report's release in early December, the fifth Working Party successfully occurred.
[4] This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

MOJ for detailed review and approval (first at the MOJ legislative working group level and finally at the MOJ Executive Board). Upon approval by the MOJ, the draft proceeds to the Council of Ministers and the Cabinet[5], onto the Parliament, and finally to the President for promulgation.

ATAR worked closely with line ministries and MOJ to ensure their thorough understanding of the law and to incorporate any revisions consistent with WTO terms. For those laws that reached the level of Council of Ministers, Cabinet, and Parliament, ATAR supported MOJ in providing explanations, clarifications, and feedback.

The effort, although led by relevant ministries at each stage, entailed significant capacity building by ATAR through on-the-job training and roundtables on the new laws and their impact. ATAR held dozens of capacity-building events, including working group meetings to review trade-related legislation, roundtables to discuss the legislation, and seminars to educate the public and private sectors on these reforms.

ATAR helped MOCI to update its chart tracking WTO-related legislation and maintained English and Dari versions of all drafts as they moved through the legislative process. While the full legislative tracking chart can be seen in Annex B, the following are highlights with respect to advancing WTO-related legislative reforms in 2015:

- President Ghani endorsed the amendments to the Law on Trademarks, and the amended law entered into force.
- President Ghani signed the Law on Geographical Indications, and the law entered into force.
- The Upper House of Parliament approved the Law on Plant Protection and Quarantine, and the law proceeded to President Ghani for signature.
- The Council of Ministers approved the Law on Consumer Protection, and the law proceeded to the Cabinet.
- The Cabinet approved the Law on Industrial Designs, and the law will be sent to the Council of Ministers.
- MOJ approved the amendments to the Law on Patents, and the amended law proceeded to the Council of Ministers.
- MOJ approved the Law on Industrial Designs, and the law proceeded to the Council of Ministers.
- MOJ approved the Law on Protection of Trade and Industry Secrets, and the law proceeded to the Council of Ministers.
- MOJ agreed, upon ATAR's advice, to include the Law on Topography of Integrated Circuits in its legislative action plan for the Afghan year 1394.
- The Ministry of Finance and ACD approved the Procedure on Advance Ruling on Binding Decisions.

3. Build Sustainable Capacity for the Fulfillment of Key WTO Commitments

ATAR and the Afghan government worked throughout the project year to prepare Afghanistan for implementation of laws supporting the WTO Trade-Related Intellectual Property Rights (TRIPS) Agreement (see Section 3.1) and the Sanitary and Phytosanitary (SPS) Measures Agreement (see Section 3.2).

[5]Under the new National Unity Government, there are two parallel bodies: the Council of Ministers and the Cabinet. Chief Executive Officer Abdullah chairs the Council of Ministers, and President Ghani chairs the Cabinet. Under the prior government, only a Council of Ministers existed.

In addition, ATAR supported Afghanistan in preparing for proper and effective administration of the Law on Safeguards (see Section 3.3) under the WTO Agreement on Safeguards, which refers to temporary protective measures that WTO members may impose where their industries are hurt by a surge in imports. ATAR further assisted Afghanistan in improving implementation of the WTO Customs Valuation Agreement (see Section 3.4), which aims for a uniform system for the valuation of goods for customs purposes.

3.1 Intellectual Property Rights

The TRIPS Agreement requires WTO members to ensure strong protection of intellectual property rights. By bringing laws on intellectual property up to standards embodied by the WTO and international agreements, Afghanistan protects innovators in Afghanistan from infringements on trademarks, patents, copyrights, and geographical indications.

In the project year, ATAR provided support to prepare for implementation of key TRIPS legislation, including the Procedure on Customs Control of Intellectual Property Rights, Amendments to the Law on Trademarks, the Law on Patents, the Law on Copyrights, and the Law on Geographical Indications. ATAR also supported Afghanistan in preparing to join international property conventions required under its WTO commitments.

Procedure on Customs Control of Intellectual Property Rights

In support of implementation of the Procedure on Customs Control of Intellectual Property Rights and other WTO-related legislation, ATAR provided training to ACD, the Afghanistan National Customs Academy (ANCA), and the private sector.

ATAR began by holding two training seminars at ACD on border enforcement of intellectual property. In order to further spread awareness, ATAR held two train-the-trainer sessions at ANCA for customs academy trainers on delivering the intellectual property border enforcement training. ATAR then held an intellectual property border enforcement awareness seminar for the Afghanistan Chamber of Commerce and Industries (ACCI). Topics in the five sessions included different types of intellectual property, the customs intellectual property border enforcement procedure, the intellectual property application process, and ways to protect intellectual property.

In addition, ATAR conducted a one-week training in November 2014 on intellectual property rights for 18 Afghan customs representatives at the Kyrgyz Customs Academy in partnership with the Organization for Security and Co-operation in Europe (OSCE). The training covered all aspects of worldwide efforts to enforce intellectual property rights enforcement, with a focus on Afghan-specific laws. The participants included one female customs officer and two ANCA instructors.

Law on Trademarks

In support of implementation of the Law on Trademarks, ATAR provided on-the-job training for staff of MOCI's Afghanistan Commercial Business Registry for Intellectual Property (ACBR-IP) in performing trademark functions, including examination, classification, and registration of trademarks. ATAR prepared a document on automated trademark registry, including the structure and functions of the database and an operational manual, and assisted ACBR-IP in developing awareness materials for

What is a Trademark?

A trademark is a sign, design, or expression capable of distinguising goods or services of one enterprise from those of another enterprise.

trademark registration. ATAR is working to promote the process of trademark registration in line with the WTO, intellectual property conventions, and best practices. Previously, many trademarks in Afghanistan should not have been allowed to be registered; under the new regime, these will not be allowed to re-register.

ATAR also delivered six formal trademark trainings for ACBR-IP staff covering examination, classification, and registration of trademarks. ATAR then supported ACBR-IP staff in delivering training sessions to members of the private sector, legal community, academia, and customs, including: 1) a training on trademarks for 27 private-sector members; 2) a training on procedures to register trademarks for 33 private-sector members; 3) a training for 18 legal representatives; 4) a training for six judges and a public prosecutor; 5) two awareness seminars for a total of 32 members of academia; and 6) an awareness seminar for seven ACD staff.

Law on Patents

In support of implementation of the Law on Patents, ATAR provided on-the-job training on patents examination and registration for ACBR-IP staff. ATAR also provided to ACBR-IP a concept note on electronic registration of patents and awareness materials on patents.

What is a Patent?

A patent is an exclusive right granted for an invention, which is a product or process that provides a new way of doing something or offers a new technical solution to a problem.

In addition ATAR held formal patent trainings for ACBR-IP and members of the private sector, including a training on patents examination and registration to 20 ACBR-IP staff members and two awareness seminars on patents to 30 private-sector members.

There are presently no patents registered in Afghanistan and 20 applications pending review. Patent registration is a lengthy procedure, with uncontested registrations in developing economies taking three years on average.

Law on Copyright

With ATAR's support and guidance, the Ministry of Information and Culture (MOIC), ACD, the Ministry of Interior, and Attorney General's Office agreed on improving coordination for more effective enforcement of the Law on Copyright. By the end of this period, ATAR was assisting MOIC in finalizing a draft memorandum of understanding (MOU), outlining the duty of each relevant agency in enforcing the copyright law, to be signed among these entities.

What is a Copyright?

A copyright is a legal term used to describe the rights that creators have over their literary and artistics works. Works covered by copyright range from books, music, paintings, sculpture and films, to computer programs, databases, advertisements, maps, and technical drawings.

ATAR also assisted MOIC's copyright office in preparing two forms for copyright registration – one for literary and scientific works and the other for artistic works. MOIC approved both forms, and MOIC is expected to start the optional registration of copyrighted works for the first time in 2016.

What is a Geographical Indication?

A geographical indication is a place name or associated word used to identify products that come from that place and have those characteristics. The geographical indications law restricts the use of geographical indications for the purpose of identifying a type of product unless the product originates from a particular area or meets certain standards.

Law on Geographical Indications

In support of the Law on Geographical Indications, ATAR delivered a training seminar on geographical indications and registrar rules to 26 staff of ACBR-IP and two awareness

training seminars on geographical indications to 22 private-sector members. These trainings helped participants understand the importance of geographical indications and familiarized them with the law.

In addition, ATAR supported development of awareness materials and assisted ACBR-IP in preparing a document on the organization of the registrar of geographical indications.

Intellectual Property Conventions

In order to help Afghanistan prepare for membership to intellectual property conventions, ATAR submitted to MOCI the English and Dari versions of the Paris Convention for Industrial Property, the Singapore Treaty on the Law on Trademarks, and the Madrid Protocol of International Registration along with introductory notes. Afghanistan joined the World Intellectual Property Organization (WIPO) in September 2005. For WTO membership, Afghanistan is expected to join these WIPO-administered conventions.

MOCI's Deputy Minister assigned four General Directorates (International Trade, Private Sector, Legal, and Plan and Policy) to review the documents. ATAR delivered presentations on each intellectual property convention to the MOCI directorates. At the end of the presentations, the MOCI directorates agreed on membership to the conventions.

MOCI sent an official letter to the Ministry of Foreign Affairs (MOFA) with documents requesting membership to the Paris Convention, Singapore Treaty, and Madrid Protocol. As of the end of the project year, MOFA was in consultations with other ministries to ensure the conventions comply with the Afghan constitution and legal system.

3.2 Sanitary and Phytosanitary Measures

The WTO's SPS Measures Agreement sets out the basic rules for food safety and animal and plant health regulations. ATAR provided support to advance three key SPS laws: the Law on Food Safety, the Law on Animal Health and Veterinary Public Health, and the Law on Plant Protection and Quarantine. In addition, ATAR assisted during the year in continuing activities to prepare sublegal acts (regulations and procedures) for implementing those laws.

Law on Food Safety

ATAR supported the Ministry of Public Health (MOPH) in conducting more than 20 working groups to review procedures to support implementation of the draft Law on Food Safety. Participants included representatives from MOPH, MOCI, EPAA, the National Environmental Protection Agency (NEPA), the Afghanistan National Standards Authority (ANSA), the private sector, and Kabul University.

Procedures Reviewed in Support of the Food Safety Law
• Food Category System Used with Food Additives • Food Additives Permitted for Direct Addition to Food for Human Use • Food Hygiene Practices for Manufacturing, Packing, or Holding Human Food

In order to educate stakeholders on the Law on Food Safety, ATAR conducted six training sessions on general principles of food hygiene for 12 MOPH staff and other members of the government, academia, and private sector. The training was designed to enable the participants to serve as instructors who can deliver the training to other members of the government, private sector, and academia. Following these sessions, ATAR supported trainers from MOCI, National Agriculture Education College (NAEC), and

from Kabul University's Faculty of Agriculture in holding their own food hygiene trainings for a total of 80 government employees and students.

ATAR also worked in partnership with professors from Kabul University and NAEC to develop a course called "Introduction to Food Safety." ATAR and the professors identified topics for inclusion in the course and developed a curriculum. ATAR compiled, edited, and began translation of twelve chapters of materials for the course and provided the professors with the Dari and English versions for their review. The course will help develop a group of young professionals capable of understanding and implementing food safety principles and upholding the Law on Food Safety.

ATAR provided training to Afghanistan on the development of equivalence agreements regarding food imports and export inspection and certification systems. Equivalence is an important WTO concept and is designed to simplify trade by having WTO members accept, where feasible, the technical regulations and conformity assessment procedures of other trading partners. The training covered the WTO SPS process for determining the equivalence of different food safety systems and on the actions that MOPH needs to take to establish an equivalence system. ATAR prepared a manual that describes the process necessary to make a determination of the equivalence of different food safety systems or different sanitary measures.

In additional support to the Law on Food Safety, ATAR prepared a needs assessment describing 26 actions that should be taken to implement the law and to establish a Food Safety Control Authority in MOPH. The needs assessment describes the organizational structure of the authority and functions of each unit of the authority. ATAR provided the document to MOPH to use as a general guide to begin the process of forming the authority.



ATAR delivers training on food hygiene and food safety.

Law on Animal Health and Veterinary Public Health

ATAR assisted the Ministry of Agriculture, Irrigation and Livestock's (MAIL) Animal Health Directorate in conducting more than 20 working groups regarding procedures related to the veterinary control of import and export regulation. Participants, which included staff from MAIL's Animal Health Directorate, MOCI, and government border inspectors, reviewed the procedures and made suggestions for improvement.

Throughout the year, ATAR supported the MAIL's Animal Health Directorate in conducting seven roundtables, seminars, and trainings to educate stakeholders on the Law on Animal Health and Veterinary Public Health, the regulation on animal health, risk analysis and sanitary measures for imported animals

and animal products, and administrative procedures of the veterinary authority, disease surveillance, and disease prevention and control. Participants included staff of MAIL's Animal Health Directorate and importers of animal products.

Procedures Reviewed in Support of the Veterinary Control of Import and Export Regulation	Procedures Reviewed in Support of the Animal Health Regulation
• Quarantine, seizure, destruction and disposal of a consignment of live animals, a commodity or a controlled article • Disinfection, disinfestation, destruction or disposal of live animals at designated ports of entry or within Afghanistan • Collection and submission of laboratory samples from live animals, commodities and controlled articles subject to veterinary control. • Sanitary measures for the importation of fresh or frozen or partially processed poultry meat • Sanitary measures for the importation into and transit through the territory of Afghanistan of live cattle and buffalo • Sanitary measures for the importation into and transit through Afghanistan of live sheep and goats • Sanitary measures for the importation into and transit through the territory of Afghanistan of horses, donkeys and mules • Sanitary measures for the import into and transit through Afghanistan of live poultry and hatching eggs and eggs destined for human consumption • Sanitary measures for the importation of meat derived from cattle, water buffalo, sheep and goats destined for human consumption • Application for the issuance of an international veterinary certificate for the export of an animal, commodity or controlled article	• Conditions of eligibility for compensation, application for compensation and the form of certificate of destruction and disposal of an animal or commodity and certificate of valuation of animal or commodity • Declaration of controlled animal diseases and diseases which shall be subject to control under an animal disease control scheme • Declaration of notifiable animal diseases in Afghanistan • Publication of changes to existing and proposed new draft procedures for the implementation of the animal health regulations • Delegation of powers and authority to perform functions by the chief veterinary officer to a provincial veterinary officer of the veterinary authority • Form of a notice to comply with sanitary measures

Law on Plant Protection and Quarantine

ATAR conducted more than 10 working groups and roundtables with MAIL's Plant Protection and Quarantine Department (PPQD) on procedures that support the plant protection and quarantine regulation. Participants included the technical team of PPQD and representatives of MOCI, MAIL's Policy Analysis and Legal Advisory Department, Kabul University, and the private sector.

Procedures Review in Support of the Plant Protection and Quarantine Regulation
• General conditions for the importation of plants, plant products and related articles • Procedures for importing biological control agents (e.g. insects/ticks), nematodes/ microscopic living organisms' cultures including algae/ biological control factors • Creation/certification of post-entry quarantine sites • Procedures for pest risk assessment and pest surveillance mechanisms.

ATAR also conducted five days of training for 27 members of MAIL's PPQD on conducting Pest Risk Assessments (PRAs) that will help support implementation of the Law on Plant Protection and

Quarantine. PRAs support implementation of the law by helping identify risks in commodities being imported, thereby guarding against the accidental import of pests harmful to Afghanistan's agriculture. The trainees were organized in three different groups divided by different categories of pests of quarantine importance to Afghanistan and evaluated different pathway-initiated PRA scenarios for neighboring countries, the United States, Europe, and Latin America.

In the final stage of the training, each group was assigned the task of conducting a PRA on an important commodity for Afghanistan. ATAR coached the process during the year by facilitating access to journal articles, pest databases, and supporting the writing process and monitoring the efforts of the groups.

ATAR also drafted an institutional proposal accepted by PPQD for establishing three PRA units that support the Law on Plant Protection and Quarantine. In addition, ATAR worked with five staff of the PPQD to revise standard operating procedures (SOPs) for Afghanistan's quarantine system in accordance with standards recommended by the International Plant Protection Convention.

In an effort to spread awareness of phytosanitary issues, ATAR worked with Kabul University to finalize a curriculum for a course called "Afghanistan's Agriculture Import/Export Markets and Plant Health Standards." ATAR shared a draft syllabus for the course with Kabul University and PPQD to solicit their feedback. The course will help provide Afghanistan with the specialists needed to implement sanitary and phytosanitary laws such as the Law on Plant Protection and Quarantine.

3.3 Safeguards

The Law on Safeguards falls under the WTO's Agreement on Safeguards and allows protection for domestic industries against sudden import surges in exceptional circumstances. Afghanistan has no experience in administering safeguards and no institutions to conduct safeguards investigation.

In support of the Law on Safeguards, ATAR assisted MOCI in developing model documents for the implementation of the law covering the structure and administrative rules of the state body or unit responsible for the law (the investigating authority); safeguard investigative procedures; and model forms and templates for each stage of safeguards proceedings, such as a safeguards complaint form, investigative questionnaires, disclosure forms, and non-confidential summary templates.

3.4 Customs

ATAR provided support to Afghanistan in fulfilling commitment under the WTO Customs Valuation Agreement, which is one of the WTO's most complex agreements. The agreement provides an internationally agreed and consistent method for valuing goods for the purposes of applying custom tariffs. Proper application of these valuation methods is critical as inappropriate valuation of goods leads to unfairness to traders (in case of overvaluation) or loss of fiscal revenue (in case of undervaluation). Inaccurate valuation renders trading costs unpredictable and undermines the practical value of mutually negotiated tariff rates.

What is a Binding Decision?

An advance ruling is a written binding decision provided to traders prior to the importation of a good that sets forth the treatment that the member shall provide to the good at the time of importation with regard to the good's tariff classification, the origin of the good, and other customs matters.

Binding Decisions

ATAR completed a "Manual on Administration of the Binding Decisions Program" for ACD's use. The manual included SOPs and can be used as a reference manual by ACD. The manual was written based on the binding decision program that is described in the

draft amendments to Afghanistan's Customs Law and the Ministry of Finance's Procedure on Advance Ruling on Binding Decisions, which was approved during the year.

The manual covers all steps required to process an application for a binding decision (e.g., register application, reject application, assign application, request additional information, withdraw application, etc.) as well as all processes required to manage binding decisions once issued (e.g., extend expiration date, revoke or annul binding decision, prepare decision for publication, etc.). The manual includes templates for notifications and forms for these processes, as well as guidelines for protection of confidential information.

Customs Arbitration Administration

The WTO agreements require acceding countries to establish an independent appeal processes for examining cases related to trade and customs matters. This is important in countries like Afghanistan where access to the judiciary is lengthy and complicated. The Regulation on Customs Arbitration Administration was adopted in 2006 based on the authority provided in the Customs Law. This body has not been established, because agreement cannot be reached on the three individuals who should be appointed to this body.

ATAR reviewed the 2006 regulations on establishment of the arbitration committee and provided best practice recommendations to be considered by the Ministry of Finance to overcome this impasse of nearly a decade.

4. Build ANSA Capacity

Afghanistan is prevented from expanding into regional markets in part due to a lack of laboratory facilities capable of testing and certifying Afghan products in accordance with international standards. Modernizing and building standards and certification capacity is crucial for increasing exports. In support of this effort, ATAR worked closely with ANSA, which is the key player in developing and implementing standards, to help ensure quality goods are exported from and imported into Afghanistan.

Laboratory Analysis

ATAR drafted and shared a gap analysis report for a food testing laboratory with ANSA. In the report, ATAR drafted a budget and a list of urgent laboratory needs, which include quick infrastructure fixes, essential equipment and supplies, and staff training. Fulfilling these requirements is essential for the facility to become minimally operational, but it will not bring the lab to the point where it can offer routine, reliable food testing. In order to reach that status, ATAR also prepared a comprehensive list of long-term requirements, covering infrastructure, equipment and supplies, and staff training.

ATAR also shared a work plan for the ANSA food testing facility that included major milestones in the long process toward achieving accreditation from the International Organization of Standardization (ISO)[6]. The work plan provided organizational charts for ANSA and the food laboratory, including job descriptions and requirements; document control for writing and updating SOPs; a description of how lab work may be subcontracted to other laboratories within Afghanistan or abroad; and plans for different types of training that may be provided by the food laboratory. ATAR also drafted SOPs based on international standards for specific product tests as well as procedures for a quality manual in accordance with ISO. This documentation is necessary for ISO accreditation of the laboratory.

[6] ANSA became a full member of ISO in July 2014.

ATAR assisted ANSA in preparing procurement bidding documents for equipment and supplies needed for the food laboratory. When delivered, the equipment and supplies will elevate the status of the food laboratory from inactive to operational and will allow for commencement of technical training of laboratory personnel on basic laboratory procedures and operations.

In addition, ATAR performed an assessment of MAIL's veterinary laboratories and MOPH's food and pharmaceutical testing laboratories to help prepare the labs for future accreditation with ISO. ATAR's assessment covered lab infrastructure, including working space, power, plumbing, storage, ventilation, and safety; equipment, including available equipment and equipment needs; SOPs; and proposed organizational charts with current and recommended personnel.

At the request of ANSA, ATAR also completed a needs assessment for establishing a National Metrology Institute in Afghanistan and preparation of a draft model law on legal metrology covering legal units of measurement. ATAR shared the package with ANSA for consideration and formation of working group to draft Afghan legislation based on the model law.

Laboratory Training

ATAR delivered five trainings and workshops for Afghanistan's laboratory technicians to help them understand ISO standards and best practices. ATAR conducted: 1) a workshop on ISO 17025tests, calibration, and validation for 12 ANSA employees; 2) training on best practices for laboratory operations for 11 staff from ANSA's food laboratory, MOPH food laboratory, and MAIL's veterinary laboratory; 3) training covering basic laboratory skills and safety for more than 30 ANSA, MOPH, and MAIL laboratory technicians and supervisors; 4) a workshop on ISO 17025 internal audit checklists for more than 30 laboratory scientists, supervisors and managers affiliated with ANSA's food laboratory, MOPH's food laboratory, and MAIL's veterinary laboratory; and 5) a training on methods and requirements of ISO17025 for 16 staff from MOPH drug and food laboratories.



ATAR delivers training on international standards.

To help further the understanding of laboratory technicians, ATAR organized a study tour of Omaid Bahar Fruit Processing Ltd., a Kabul-based company that is ISO-certified, and a study tour to the Central Veterinary and Animal Public Health Lab at MAIL, which is considered one of the best laboratories in Kabul.

Regional Support

ATAR assisted ANSA officials in their participation in the South Asian Regional Standards Organization (SARSO) Governing Board and Technical Management Board meetings in December 2014 in Dhaka,

Bangladesh. The meetings focused on harmonization of standards, technical regulations, and conformity assessment procedures of SARSO members. Participants reviewed progress in the ratification of the South Asian Association of Regional Cooperation (SAARC) Agreement on Multilateral Arrangement on Recognition of Conformity Assessment and the SAARC Agreement on Implementation of Regional Standards.

5. Assist in Building Capacity and Sustainability for the WTO Unit Post-Accession

Although WTO accession was on hold for much of the year, ATAR worked to increase the ministerial understanding of Afghanistan's WTO commitments since post-accession is equally, if not more, challenging than accession. In order to build the capacity of the MOCI WTO Unit and other relevant government staff, ATAR held three seminars to increase understanding of WTO and ongoing responsibilities after Afghanistan becomes a WTO member. More than 30 participants from MOCI and other ministries attended each of the seminars.

The training series was a coordinated technical transfer effort in conjunction with a paper ATAR drafted called "WTO Unit – Post-Accession Structure for Afghanistan's Ongoing Effective WTO Membership and Participation" that was submitted to MOCI senior management. The paper included proposed functions of the WTO Unit, job descriptions, and qualification requirements, and a staff retention and technical sustainability plan.

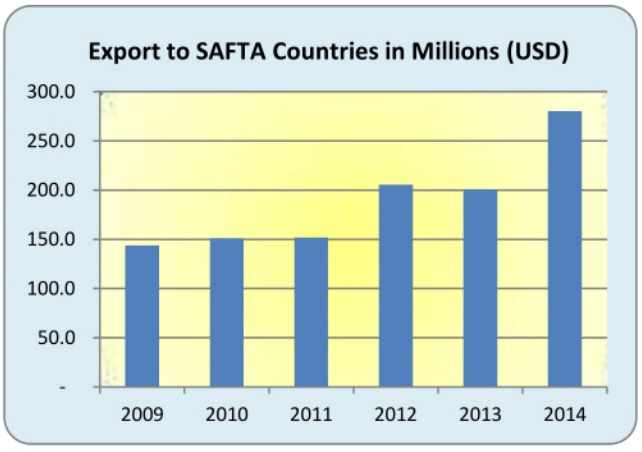
6. Assist in Building Analytical Capacity

Trade Policy Analysis Unit

MOCI's Trade Policy Analysis Unit (TPAU) aims to deepen and broaden Afghanistan's regional integration as well as support formulation of sound trade policy through analysis of trade data, such as imports and exports.

In an effort to further strengthen the unit, ATAR conducted a capacity building needs assessment for the TPAU by interviewing TPAU staff and MOCI officials, including the Deputy Minister and the Head of the International Directorate, as well as ATAR staff. ATAR evaluated the analytical capacity and resources of the TPAU in terms of staff's ability to collect and analyze appropriate trade and market data and undertake basic economic modeling and policy analysis to properly support the needs of policymakers. ATAR prepared and presented to MOCI a report detailing a capacity building program, including a career path for existing staff, curriculum for each relevant technical area, and staff retention.

ATAR continued to work closely with TPAU to build its capacity to analyze trade data that will help the Afghan government make informed trade decisions. ATAR guided MOCI's TPAU in the estimated impact of the implementation of the South Asia Free Trade Area (SAFTA) agreement. Since SAFTA's full implementation in August 2011, Afghanistan's exports to SAFTA countries almost doubled. Exports to SAFTA countries increased more than 30 percent in 2014 alone, contributing .9 percent to the growth of Afghanistan's gross domestic product and improving the trade balance by about $230



million.

ATAR began working with the TPAU to develop partial equilibrium models to support the TPAU in assessing the impact of Afghanistan's WTO tariff commitments on trade flow, trade diversion, fiscal revenue, balance of payments, gross domestic product, employment, and consumer welfare. ATAR and the TPAU developed partial equilibrium models for 15 sub-sectors of Afghanistan economy where Afghanistan has the potential for development of production and exports to estimate competitiveness of Afghan producers, particularly for wheat and wheat flour production and for other food processing industries.

To help build understanding of TPAU staff, ATAR demonstrated the application of economic models by running WTO accession scenarios. Based on the simulations, imports and revenue of Afghanistan will not be affected as result of WTO membership, and exports may increase in long run up to 20 percent to the WTO member countries, which may provide an additional increase of 1.8 percent to the gross domestic product.

ATAR also assisted the TPAU in preparation and publishing of its "Five-Year External Trade and Tariff Policy Review (2010-2014)" and its semi-annual report covering the first half of 2015 on external trade and tariff policy.

Central Statistics Organization

In an effort to provide Afghanistan with reliable trade-related data for policy formulation and the private sector with reliable statistics for business decisions, ATAR supported ACD and CSO to harmonize trade-related data between the two organizations. With guidance and support from ATAR, ACD and CSO signed an MOU in March 2014 to promote cooperation in import and export statistics for Afghanistan. According to the MOU, CSO will get information on import/export statistics from ACD on a monthly basis and process this information in accordance with the CSO reporting structure.

To support implementation of the MOU and further reduce statistical discrepancies, ATAR held six trainings per the request of CSO. These trainings focused on the application of software in statistics and analysis and the preparation of formats to help eliminate discrepancies in data from CSO, ACD, MOCI, EPAA, and MAIL. About 30 participants from these counterparts participated in the trainings. Participants studied methods of collection, verification, modification, maintenance, and analysis of trade and other economic data. ATAR also provided 80 hours of training on the "Application of Computer Software for Trade Statistics and Analysis" for trade specialists from CSO, MOCI, and EPAA.

7. Nationwide WTO Awareness

While support for completion of Afghanistan's WTO negotiations grew in the new Afghan administration, ATAR drafted a one-year WTO accession campaign and public outreach program for discussion with MOCI. In support of the program, ATAR prepared presentations covering WTO commitments and impacts for Afghanistan; WTO impacts for Afghanistan and recent WTO members; WTO impacts on regional trade and economic relationships, addressing trade with Pakistan; and WTO commitments of individual Afghan ministries. In addition, ATAR prepared a briefing paper "The Realities of Afghanistan's WTO Accession: Countering the Myths" and related talking points and shared the documents with MOCI.

Toward the end of the year, ATAR worked in partnership with MOCI to raise awareness of the benefits and challenges of WTO accession to a range of audiences. ATAR delivered a WTO awareness

presentation to about 50 students and professors from Kabul University; 15officials from the media and MOCI, ACD, and ANSA; and 10 representatives of the private sector. With the exception of the private-sector seminar, MOCI's Director General and MOCI's Trade Expert from the WTO unit co-delivered the presentations.



MOCI's Director General speaks at a training to raise awareness of the WTO.

MOCI's Trade Expert delivered the final presentation largely on his own, with limited support from ATAR. These initial presentations are preparing the WTO Unit, with ATAR's assistance as necessary, to deliver WTO awareness sessions in the project's third year to targeted audiences. ATAR and the WTO Unit also prepared multiple awareness briefs on the benefits of WTO membership, WTO dispute settlement, and WTO rules and commitments in preparation for WTO membership.

D. COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. Afghanistan

1.1 Trade Agreements

South Asian Free Trade Area Agreement

ATAR continued to support Afghanistan in implementing the South Asian Free Trade Area (SAFTA) Agreement. ATAR assisted MOCI in preparing and finalizing a revised sensitive list – reducing sensitive tariff lines from 962 to 844 – with the concurrence of stakeholders, including MOCI, MAIL, EPAA, ACD, ACCI, and the private sector. MOCI will sign the revised list and submit it at the next South Asian Association for Regional Cooperation (SAARC) meeting expected in the first half of 2016 after review of the new Minister of Commerce and Industries. Sensitive lists are products of special interest to SAFTA member countries and are exempt from low SAFTA tariffs. (For further SAFTA support, see Component 1's Section 6: Assist in Building Analytical Capacity.)

What is SAFTA?

The SAFTA agreement is a regional free trade agreement between Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. These countries form the South Asian Association for Regional Cooperation (SAARC). The South Asian nations are among Afghanistan's most critical trading partners; Pakistan and India alone account for more than 50 percent of Afghanistan's exports. The agreement provides Afghan producers with greater and more consistent access to SAFTA markets and consumers with greater access to affordable, imported products.

In the first half of 2015, MOCI received an official communication from the SAARC Secretariat that the tenth meeting of the SAFTA Committee of Experts and the ninth meeting of the SAFTA Ministerial Council will occur in Kabul. While the meeting was postponed several times during the year and is now expected in early 2016, ATAR held multiple meetings with MOCI on preparation for these first-ever such SAFTA meetings in Afghanistan. About 40 delegates from the seven other SAARC nations will participate in the meeting, and President Ghani is likely to attend the SAARC ministerial meeting. This will be the first time SAARC will hold its ministerial conference in Afghanistan.

Afghanistan Pakistan Transit Trade Agreement

ATAR continued to support the Afghan government in implementation of APTTA and worked with the Afghan government to identify and try to resolve transit trade problems under the agreement.

In preparation for a meeting of the Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA), ATAR and MOCI held a policy roundtable in December 2014 to discuss Afghanistan's transit and trade issues with Pakistan. ATAR also queried Afghan traders and business associations on their challenges transiting goods through Pakistan and prepared a number of briefing papers and talking points in preparation for the APTTCA meeting.

What is APTTA?

The Afghan and Pakistani governments signed APTTA on Oct. 28, 2010, and the Afghan government ratified the agreement on Jan. 7, 2011. APTTA replaced an outdated 1965 transit agreement and updated and improved the joint transit system to reflect current economic conditions, infrastructure, technology, and transport practices. APTTCA was designed to allow the Pakistani and Afghan governments to resolve issues on APTTA and oversee its implementation.

On Jan. 1-2, 2015, ATAR supported an Afghan delegation in the fifth meeting of APTTCA in Islamabad, Pakistan. Deputy Minister Shinwari headed the Afghan delegation. Many of the decisions and actions made during the APTTCA meeting addressed challenges to Afghan transit trade to India through Wagah, a border crossing point between India and Pakistan, and to Pakistani seaports.

In one of the major decisions, participants in the APTTCA meeting agreed that Afghan trucks with a letter of guarantee can transit Pakistan up to Wagah. The letter of guarantee, to be issued by Afghanistan's Ministry of Transport and Civil Aviation (MOTCA), would replace costly bank guarantees required for trucks under APTTA.

ATAR followed up on the APTTCA meeting with MOCI's Director General of Planning and Policy and MOTCA officials to discuss technical assistance to issue letters of guarantee. After receiving input from the officials, ATAR designed the letters of guarantee, printed 200 letters for distribution by MOTCA, and provided training to MOTCA staff on implementation of the letters. Although the mechanism of a letter of guarantee is operational and honored by Pakistan, most Afghan transport companies do not find that delivering goods to Wagah is profitable given they cannot transport any Indian goods on the return trip. Afghanistan and Pakistan are continuing discussions on greater access to India, including the import of Indian goods through Wagah.

Pakistan Afghanistan Tajikistan Transit Trade Agreement

MOCI worked with ATAR to develop a proposal to extend APTTA to Tajikistan, making it the Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA). With ATAR support, Afghanistan, Pakistan, and Tajikistan held two trilateral meetings, and Afghanistan and Tajikistan held one bilateral meeting to progress the proposed agreement.

What is PATTTA?

PATTTA would extend APTTA to Tajikistan, providing Pakistan and Afghanistan with access to Central Asian countries and providing Tajikistan with access to Pakistan's seaports by way of Afghanistan. PATTTA would also improve upon APTTA by better facilitating trade and reducing costs.

The day after the APTTCA meeting that occurred Jan. 1-2, 2015, ATAR supported Afghan, Tajik, and Pakistani representatives in Islamabad on Jan. 3 in their first trilateral meeting regarding the proposed PATTTA. ATAR helped prepare the Afghan delegation, headed by Deputy Minister Shinwari, to advance negotiations and supported preparation of an agenda, talking points, and materials. In February, ATAR supported MOCI in organizing a roundtable in Kabul to follow up on the trilateral meeting with ACD, MOFA, MOTCA, and other stakeholders. ATAR assisted in amending the proposed agreement with input received during the roundtable.

In March 2015, the Afghan and Tajik government held bilateral PATTTA negotiations in Dushanbe, Tajikistan. ATAR assisted in drafting talking points and position papers and provided logistical support for the Afghan delegation's trip. ATAR participated in the meeting and offered guidance and clarifications to both the Afghan and Tajik delegations. Subsequent to the March meeting, ATAR assisted in making further revisions to PATTTA to reflect agreed upon and new proposals.

In April 2015, an Afghan delegation participated in the second trilateral meeting between Pakistani and Tajik counterparts in Dushanbe regarding PATTTA. ATAR supported MOCI in preparing Afghanistan's negotiating team and facilitating the logistics of the trip.

The draft is expected to be finalized in the next PATTTA meeting that is anticipated to take place immediately after the APTTCA meeting. The conclusion of this agreement is pending Pakistan's decision to grant greater access to India.



Clockwise from top left: 1) Afghanistan's Deputy Minister of Commerce and Industries (right) signs minutes from the fifth APTTCA meeting with the Pakistan representative; 2) Afghanistan's Director General of International Trade (right) signs minutes from the bilateral trade meeting with the Pakistan representative; 3) The Deputy Minister (right) signs minutes from the PATTTA meeting with the Tajikistan and Pakistan representatives; 4) PATTTA representatives shake

Regional Trade and Transit Initiatives

ATAR assisted ACD on a bilateral Agreement on Mutual Administrative Assistance and Cooperation on Customs Matters to be reached between Afghanistan and Pakistan. After review of a proposal from Pakistan, ACD requested that ATAR assist in drafting new legal text for the agreement as a counterproposal from Afghanistan. ATAR drafted and submitted to ACD new text for the agreement.

Apart from the mutual administrative assistance, which is in line with a WCO model, the Afghan proposal has a wider scope, including other areas of cooperation such as establishment of joint customs controls at the common borders and creation of customs exclaves in the territory of either country.

ATAR also provided support to MOCI, ACD, and other stakeholders in a number of areas related regional trade and transit, including:

- supported advancing the Lapis Lazuli initiative, a trade and transit agreement between Afghanistan, Azerbaijan, Georgia, Turkey and Turkmenistan;
- in consultation with MOCI, ACD, and the private sector, assisted in the development of a modality for a one stop border post which calls for joint controls between Pakistan and Afghanistan;
- supported adaptation of a mutual assistance agreement with Tajikistan for Uzbekistan and Turkmenistan and translated into Russian;
- examined the draft Motor Vehicles Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between Afghanistan and India;
- reviewed the draft Preferential Trade Agreement between Pakistan and Afghanistan to assess its consistency with Afghanistan's WTO agreements and commitments under SAFTA to identify implementation challenges for Afghanistan;
- assisted in developing two notes on transit trade through Pakistan and bilateral trade with Pakistan to support high-level dialogue to facilitate transit and bilateral trade between Afghanistan and Pakistan;
- in cooperation with USAID's Commercial Horticulture and Agricultural Program (CHAMP), developed a paper on infrastructure and procedural issues at Wagah; and
- developed a paper on strengthening relations between Afghanistan and Pakistan/Khyber Pakhtunkhwa province covering issues of interest to both parties.

Transports Internationaux Routiers Convention

TIR in Afghanistan

ATAR supported the Afghan government in helping the private and public sector understand the TIR Convention and become familiar with the TIR carnet, the customs transit document used to provide an international guarantee for customs duties and taxes for goods transported under the TIR system. (For further information on ATAR support for TIR, see Component 2's Section 6: Cross-Cutting and Component 3's Section 12: Strengthening TIR and Transit Regimes.)

What is TIR?

TIR is a customs transit system that simplifies the movement of cargo across at least one border. The principles and guidelines for implementing TIR are described in the TIR Convention 1975. In September 2013, TIR was reactivated in Afghanistan after three decades of suspension.

In late November 2014, ATAR supported MOCI in holding a National TIR Seminar in Kabul for 80 exporters, logistics representatives, and government officials to discuss the TIR Convention. Deputy Minister Shinwari and Deputy Minister of Transport and Civil Aviation Jarullah Mansoori opened the TIR seminar. A panel took questions from the floor and addressed the concerns of the private sector. The event aimed to promote greater awareness of the TIR system in Afghanistan, particularly to transport operator and exporters, and served as a platform for public-private dialogue.

In February and April 2015, ATAR and ACCI facilitated a working relationship between Pak Caspian, a Pakistani transport operator, and Faisal Mirzakwal, an Afghan transport operator. Pak Caspian engaged Faisal Mirzakwal to undertake a transit shipment under the TIR carnet. The shipment allowed ATAR and

ACCI to examine challenges for Afghan transport operators in using TIR as that was the first outward TIR transit shipment with an Afghan truck. ATAR and ACCI developed a case study on the shipment to inform future discussions on TIR and related policies.

In May 2015, ATAR held a two-day TIR awareness workshop for about 20 transport operators at ACCI. Topics included the TIR system, benefits to transport operators, and the TIR carnet application procedure. ATAR also provided an overview of transit routes, border crossing points, and information on how TIR can simplify international shipments to Central Asia.

At ATAR's suggestion, participants agreed to meet regularly to recommend action plans to encourage a wider adoption of TIR. The participants formed a working group committee including representatives from ACCI, ACD, MOTCA, Association of Afghan Freight Forwarding Companies (AAFFCO), and transport operators, and the group met throughout the latter half of 2015. The working group committee provided recommendations to the National TIR Technical Committee, which was formed in 2013 to decide on TIR policies and is chaired by the Deputy Minister of Transport and Civil Aviation.

With ATAR support, the TIR National Committee finalized a TIR regulation that includes duties and responsibilities of each TIR line organization, such as ACD, MOTCA, and ABP, and the TIR National and Technical Committees. The TIR regulation was sent to MOJ and will be shared with the Afghanistan Cabinet for final approval and implementation.

In August 2015, ATAR and MOCI held another event to brief transport operators and other stakeholders on TIR. Thirty-five participants attended, including representatives from MOTCA, ACD, ACCI, MOFA, AFFCO, and Afghanistan's traffic police. Participants discussed green lanes/express lanes for TIR operators, and ATAR presented the case study on the first outward TIR transit shipment using an Afghan truck and briefed the group on upcoming TIR events, including a TIR roundtable and a TIR workshop later in August. ATAR assisted in preparation of these two events in coordination with the International Road Transport Union (IRU), MOCI, MOTCA, ACD and ACCI.

ATAR developed terms of reference for the establishment of a National Transport Association. MOTCA and ACCI representatives agreed on the concept of the association and that it should be an entity supported by new transport laws to be created in MOTCA. The National Transport Association would house an IRU Academy and run TIR and transport-related courses for the private transport sector.



ACD's Director General speaks at a TIR awareness seminar.

In September 2015, ATAR supported MOTCA's participation in the Special Program for the Economies of Central Asia conference in Almaty, Kazakhstan. ATAR helped draft the country presentation on the transport sector and arranged a visit to the Kazakhstan Automobile Transport Operators Association, the national TIR Association in the country. The visit and discussion helped

MOTCA formulate strategies for TIR legislation and establishment of the National Transport Association.

In October 2015, ATAR facilitated a TIR awareness and promotion workshop for 68 transport operators, freight forwarders, and government representatives. Speakers included ACD's new Director General as well as representatives of ACCI and MOTCA. The workshop further spread awareness of TIR and enabled dialogue between the participants and government officials about TIR issues.

TIR in Pakistan

ATAR assisted neighboring Pakistan in its effort to accede to the TIR Convention, which will help to facilitate trade between Pakistan and Afghanistan. In November 2014, ATAR supported the IRU TIR National Workshops in Karachi and Islamabad. ATAR sponsored ACD's Head of Transit Department who spoke at the workshops with ATAR support. They described the TIR re-activation in Afghanistan, which served as a useful case study for Pakistan given the proximity and cultural similarity between the two countries. ATAR identified key issues, obstacles, and counter-measures, as well as recommendations on how to build capacity for transport operators in the event of accession.

ATAR continued to advise the Pakistan National Chamber of Commerce and Industries' TIR Commission after the national workshops. Based on accession requirements and procedures as well as best practices and experiences from other countries, ATAR developed an accession roadmap for the TIR Commission to consider.

These efforts helped to result in the formal application by Pakistan's government to the United Nations to join the TIR Convention in July 2015. Pakistan's accession is expected to be approved in January 2016.

1.2 Trade Promotion

ATAR worked with EPAA, an executive agency of MOCI, to build the agency's capacity to serve Afghan exporters and help them expand their markets. In early 2015, ATAR supported EPAA in developing its annual work plan, which was approved by MOCI. In addition, in coordination with EPAA, ATAR developed product-specific export promotion strategies for Afghan products for India. The strategy paper contained an analysis of six products – almonds, raisins, figs, dried apricots, pistachios, and saffron – and included product descriptions, global market overviews, and proposed branding strategies for each of the products.

ATAR also supported MOCI and EPAA on the development of a framework for the "National Export Strategy of Afghanistan." Various ministries and private-sector associations contributed to the document, and ATAR guided the process, helped to prepare templates and questionnaires, and consolidated inputs into a first draft. The strategy is a roadmap for increasing exports over a period the next decade. The document includes 15 areas that range from removing administrative barriers, infrastructure improvement priorities, export promotion, and women in trade. EPAA and MOCI are fine-tuning the document and will get feedback from stakeholders on the draft once translated into Dari.

In an effort to build the Afghan government's capacity to identify ways to improve the economy, ATAR delivered training on cluster development and training on innovation to the Directorate of Cluster Policy of the Office of the President in August 2015. About 20 people attended each of the trainings. During the first training, ATAR described the process of conceiving and developing value chains and cluster development projects and offered examples from across the world. During the second event, ATAR focused on describing the innovation process and explained how innovation can and should be part of the economic development process of any organization, industry, or country.

ATAR worked with the government and the private sector to help Afghan traders understand export opportunities in the lucrative markets of South and Central Asia. In November 2014, ATAR supported EPAA in holding a seminar on "Reaching New Markets and Lowering Costs through Trade" to understand trade barriers faced by Afghan exporters, share information on trade logistics in Central Asia, and discuss recommendations for Afghan exporters. Twenty-five exporters of agricultural produce attended the first day, while 32 exporters of non-food items, such as carpets and marbles, attended the second day. Since the supply chain of each group is distinct, this allowed the discussion to be focused based on product. Topics included an overview of the Central Asia region, demand analysis, key transport corridors, key border crossing points, and transport costs.

In May 2015, ATAR assisted EPAA and MOCI in organizing a seminar called "Promoting Afghan Exports to South Asia: Opportunities and Challenges" for more than 80 traders and government officials. The Minister of Commerce and Industries, Indian Ambassador, and Deputy Minister of Agriculture, Irrigation and Livestock were a few of the officials who opened the seminar. MOCI's Director General of International Trade chaired the sessions. He and the First Secretary of Commerce of the Indian Embassy joined representatives from ATAR and other USAID projects in responding to questions raised by exporters during the panel discussion.



The Minister of Commerce and Industries opens the seminar on promoting Afghan exports to South Asia.

In order to increase traders' access to financial mechanisms that can help grow their businesses and increase exports, ATAR and EPAA organized a trade finance roundtable in March 2015 in Kabul. More than 70 people participated, including exporters, government officials, and bank and insurance representatives. The roundtable addressed challenges to accessing finance and explained available trade finance products and services. As a result of the workshop, businessmen and businesswomen began working with USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project, which also participated in the event, to prepare loan applications that could help them strengthen their businesses.

In April 2015, ATAR assisted EPAA in signing an MOU with Afghan Rural Finance Co. (ARFC) and Afghanistan International Bank (AIB) to provide exporters with better access to credit. Under the MOU, EPAA will recommend exporters to these financial institutions for export credit on easier terms. USAID's FAIDA is working to facilitate these loans. ATAR and FAIDA also developed the concept of an export fund for EPAA, which is working with MOCI and International Finance Corp., to implement the fund to give exporters better access to finance.

Later in April 2015, ATAR assisted EPAA in organizing a seminar on trade finance for 35 exporters to educate exporters on trade finance products offered by various banks in Afghanistan. ARFC and AIB made presentations and explained how Afghan exporters can take advantage of short-term credit to finance export activities.

In addition, ATAR sought to give exporters a better understanding of operating a global business. In October 2015, ATAR held a Global Supply Chain Forum in partnership with MOCI and EPAA for 80 private-sector members. Participants discussed opportunities and challenges in getting Afghanistan's high-quality products through the global supply chain – from the supplier to overseas markets including India, the United Arab Emirates, and the European Union. Private-sector representatives from Air India and Berouge Paints and officials from ATAR and other USAID projects gave presentations on available resources to the private sector, market opportunities, and best practices in global supply chain management.

In order to promote the export of Afghan marble and attract investment in this sector, ATAR worked with the Federation of Indian Chamber of Commerce and Industries (FICCI), the Afghanistan Marble Industry Center for Excellence, and Rahasthan Udyog, an Indian machinery manufacturer. Rajasthan Udyog and the Afghan Marble Industry Center for Excellence formed an alliance to promote technology transfer from India, and ATAR facilitated a factory visit for seven Afghan marble producers in January 2015 through this partnership.

ATAR worked with the Afghanistan Marble Association (AMA) to promote Afghan marble abroad. The Afghan government had introduced a ban on the export of Afghan marble in rough form. ATAR assisted the association in working with the Afghan government to remove the ban. The Afghan government withdrew the ban in the latter half of the year after AMA raised the issue with the government, and the export of Afghan marble in rough form restarted.

ATAR supported EPAA and Afghanistan's private sector in participating in six international exhibitions. The events raised awareness of Afghanistan's export products among international buyers, built the marketing skills of Afghan traders, and led to business contacts and about $7 million in signed deals and about $25 million in potential deals for the Afghan traders[7]. (See the following sections on Kyrgyzstan and Tajikistan for Afghanistan's participation in regional trade-related events.) Below is a summary of the international exhibitions.

La'Artigiano, Milan, Italy, Nov. 29-Dec.8, 2014

ATAR and EPAA supported the participation of 13 Afghan businesspeople, three of whom were women, in La'Artigiano, an international craft selling exhibition in Milan, Italy. Thousands of traders, visitors, buyers, and company representatives visited the Afghan booths, which featured handicrafts, carpets, saffron, and jewelry. Afghan traders and international buyers held multiple business-to-business meetings. As a result of the exhibition, Afghan businesspeople sold about $51,662 worth of carpets, handicrafts,

[7] These figures were reported by the Afghan traders attending the events.

jewelry, and saffron. In addition, Afghan Carpets-Rehman Qul Ansari Ltd. signed 10 business deals with Italian companies with a total value of $314,277.

Domotex, Hannover, Germany, Jan. 17-20, 2015

Afghan carpet traders reported potential deals worth $3.6 million at Domotex, the largest international exhibition in the carpet sector. ATAR supported their participation by developing a carpet catalogue for the exhibition and assisted EPAA in inserting a full-page advertisement in Hali, an international carpet magazine, to coincide with the show.

India Stone Mart, Jaipur, India, Jan. 28-Feb. 1, 2015

In partnership with EPAA, ATAR assisted Afghan companies and organizations in participating in Stone Mart, the largest international exposition on the stone industry. Afghanistan's marble, onyx, and lapis lazuli traders reported more than $12 million in potential deals with Indian buyers at India Stone Mart in Jaipur, India. ATAR developed marketing materials and organized a factory visit for eight Afghan marble traders who saw marble cutting and polishing techniques used in India.

Gulfood, Dubai, United Arab Emirates, Feb. 8-12, 2015

In partnership with EPAA and USAID's CHAMP, ATAR organized the Afghan pavilion at Gulfood 2015 in Dubai. The 16 participating Afghan businesses reported more than $2.3 million in confirmed deals and $5.9 million in potential deals at the end of the event. CHAMP and ATAR rented the pavilion, and ATAR designed the booth, invitations, and a catalog. ATAR also developed a video on Gulfood and its success and provided the video to USAID for its social media channels.



A businesswoman sells her products at Gulfood.

Aahar, New Delhi, India, March 10-14, 2015

ATAR worked with EPAA to support the participation of 11 Afghan businesspeople in the Aahar International Food and Hospitality Show in New Delhi, India, in March 2015. Traders reported deals of more than $3 million for Afghanistan's saffron, dried fruit, and nuts and reported potential deals of almost $3 million for the products. During the fair, ATAR assisted the traders in holding business-to-meetings and in conducting negotiations. ATAR also conducted training for participants, designed the pavilion, and created marketing materials.

Expo Milano, Milan, Italy, May 1-Oct. 31, 2015

ATAR assisted EPAA in organizing the Afghan pavilion at Expo Milano, a six-month international exhibition in Milan, Italy. ATAR supported EPAA in planning prior to the event and in organizing and running the Afghan Pavilion at the beginning of the exhibition. EPAA said the pavilion received about

2,000 visitors each day, and its restaurant was ranked among the top restaurants at the exposition, which involved about 140 countries. For a story on Expo Milano, see Annex A: ATAR Success Stories.

ATARmet with partners in Milan, assisted in setting up pavilion before the opening date, welcomed the Afghan delegation head by Deputy Minister Shinwari upon their arrival to Milan, and helped to plan for the inauguration of the pavilion. ATARalso developed a video to showcase Afghan food and culture, a video that highlighted visitors' interest in the pavilion for EPAA and USAID's social media channels, a booklet on Afghanistan's export potential, a booklet of traditional Afghan recipes, and posters promoting Afghanistan.



A visitor to the Afghan Pavilion looks at a display of Afghan saffron (left), Deputy Minister Shinwari cuts the ribbon for the inauguration of the pavilion (right).

2. Kyrgyzstan[8]

Cross-Border Transport Agreement

Tajikistan and Kyrgyzstan signed the Cross-Border Transport Agreement-Corridor 5 (CBTA) in December 2010 under the framework of the Central Asian Regional Economic Cooperation (CAREC) program. Afghanistan signed the accession protocol to join the CBTA with Tajikistan and Kyrgyzstan in November 2011. However, due to some discrepancies and grammatical issues in the English and Russian versions of CBTA, the three countries agreed to fix the discrepancies and re-sign the accession protocol with the previous dates.

What is CBTA?

The CBTA between Afghanistan, the Kyrgyz Republic, and Tajikistan helps link East Asia with the Middle East and South Asia through Corridor 5. Corridor 5 connects East Asia to the Arabian Sea through Central Asia. The corridor is one of six transport corridors that traverse the CAREC region. CAREC brings together Afghanistan, Azerbaijan, China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan and promotes regional projects.

[8] For more information, see Component 2's Section 6: Cross-Cutting Regional Activities.

In 2015, ATAR facilitated the re-activation of the process of ratification of the CBTA in Kyrgyzstan. In early 2015, as result of ATAR efforts, the Kyrgyz Ministry of Foreign Affairs sent Afghanistan's protocol of accession to the CBTA to the Kyrgyz Ministry of Transport and Communications after receiving it from Afghanistan in December 2014.

ATAR met with the Kyrgyz Minister of Transport and Communications through the year and outlined the benefits of ratifying the Afghanistan protocol. The Ministry of Transport and Communications launched the process of inter-ministerial approval (required prior to submission for adoption by the Cabinet of Ministers) by sending a list of endorsements to several ministries for signature. The Ministry said it received endorsements from all relevant ministries on Afghanistan's protocol of accession to CBTA and sent a letter to the Ministry of Justice for further approval by resolution of the Kyrgyz government.

ATAR will follow up to bring the protocol of accession of Afghanistan into force in Kyrgyzstan.

WTO Trade Facilitation Agreement

ATAR worked with the public and private sector in Kyrgyzstan to build greater awareness and support for the ratification and the implementation of the WTO TFA. In March 2015, ATAR led a presentation and discussion on the WTO TFA at the Kyrgyz Ministry of Economy. Thirty-two participants attended from border-related agencies, brokers and transport associations, and donors such as USAID, Gesellschaft für Internationale Zusammenarbeit (GIZ), and the World Bank. ATAR gave an overview of the WTO TFA, the results of ATAR's TFA assessment conducted in 2014, best practices in the establishment of a National Trade Facilitation Committee, and the WTO-TFA related reporting requirements.

What is WTO TFA?

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, brings together improved WCO revised Kyoto Convention (RKC) provisions, a number of improved provisions in existing WTO agreements, and new trade facilitation provisions. This new agreement presents a new framework for promoting regional reforms to facilitate trade, reduce corruption, improve transparency and private sector participation, and strengthen transit rights. The agreement will enter into force when two-thirds of the WTO member countries submit a letter of acceptance to the WTO Trade Facilitation Committee.

ATAR educated stakeholders on the need to create a National Trade Facilitation Committee and shared experiences of other countries. As a result, the Ministry of Economy established a Trade Facilitation Working Group and held its first WTO TFA working group meeting, which was sponsored by GIZ and facilitated by ATAR, in July 0215. The working group included officials from the Ministry of Economy, the customs policy department and trade policy departments, the customs brokers association, the suppliers association, the veterinarian and phytosanitary departments, and the Kyrgyz Chamber of Commerce and Industry. ATAR conducted a presentation of tasks to be performed by the working group.

ATAR supported subsequent TFA working group meetings that occurred regularly throughout the year. ATAR also assisted the working group in launching the drafting of an action plan for implementation of the agreement. The draft is expected to be presented to the Ministry of Economy in December 2015.

In a further effort to facilitate the ratification of the WTO TFA, ATAR supported official translation of the WTO TFA to the Kyrgyz and Russian languages. The translations were sent to the TFA Working Group and the Ministry of Economy, and the agreement was placed on a Kyrgyz trade information website (http://www.trade.kg).

Customs Support

ATAR worked with Kyrgyzstan Customs to help to align the agency with WCO RKC standards and TFA trade facilitation measures to facilitate trade between the county and others in its region, with a focus on Afghanistan.

In an effort to help Kyrgyzstan improve risk management techniques, ATAR produced a report highlighting available sources of risk management information, the process for gathering risk information, and recommendations to develop more relevant risk profiles. ATAR also produced a paper on a methodology for ensuring regular review and objective analysis of the risk profiles.

ATAR successfully managed to reinvigorate the Customs Consultative Council (CCC), which provides a forum for discussion between customs and the trading community and customs brokers. Prior to 2011, Kyrgyzstan Customs regularly held meetings with importers, exporters, and brokers. This CCC provided an opportunity for traders to voice their frustrations and for customs to articulate regulations.

Following meetings with ATAR, the Kyrgyz Ministry of Economy held a roundtable in November 2014 with the private sector and government agencies to establish public-private dialogue. At that event, Kyrgyz customs agreed to hold the first CCC, and the first of four CCC meetings began in December 2014. ATAR supported the meetings by drafting agendas, facilitating conversation, and following up with private-sector members on their issues.

During an October 2015 meeting, for example, the business community raised the issue of security of customs payments, saying the amount was too high and should be decreased. Kyrgyz Customs suggested drafting a letter to the government. Following the meeting, ATAR supported the business community in drafting the letter requesting amendments to the Customs Code to reduce the amount of security.

3. Tajikistan[9]

Pakistan Afghanistan Tajikistan Transit Trade Agreement

In addition to support to Afghanistan in negotiating PATTTA, ATAR worked with Tajikistan to advance the proposed agreement. ATAR facilitated the deployment of the Tajik delegation to the tri-lateral meeting in Islamabad on Jan. 3. Following the delegation's return, ATAR, with the USAID Country Director and the U.S. State Economic Advisor, met with Tajikistan's Deputy Minister for a debrief of the meeting. The Tajik government said it was committed to the trilateral discussions and expressed willingness to sign the agreement.

On March 9-10, Tajikistan and Afghanistan held bilateral discussions on PATTTA in Dushanbe. ATAR participated in the meeting and provided guidance and clarifications to both parties. Subsequent to the meeting, ATAR supported further changes to the PATTTA counterproposal to support agreed-upon items and additional proposals. Although the Tajik and the Afghan delegations shared commonality in their response to the Pakistan proposal, they both submitted individual counter-proposals.

On April 9-10, ATAR supported the trilateral meeting in Dushanbe between Afghanistan, Pakistan, and Tajikistan, offering guidance and clarifications to the parties on PATTTA. ATAR also hosted a final

[9] See section 6 "Cross-Cutting Regional Activities" for more information.

dinner at which the minutes of the second trilateral forum were signed in the presence of the Ambassadors of the United States, Afghanistan, and Pakistan. ATAR supported the Tajik government in updating the draft agreement with provisions agreed upon during the meeting.

To build PATTTA awareness and support, ATAR held three awareness/public-private dialogue events in cooperation with the Ministry of Economic Development and Trade (MEDT). In February 2015, ATAR facilitated one session hosted by the Association of International Transport Operators of Tajikistan (ABBAT) for 15 participants and a second session at the Association of International Transport Operators of Tajikistan (AIATT) for 17 participants. Participants included representatives from the transport companies, the Tajik Customs Service, the Ministry of Transport, MEDT, the State Insurance Agency, and the USAID mission. In March 2015, ATAR facilitated the third session in Tajikistan for the public and private sector to discuss PATTTA. The session, supported by MEDT, was delivered to private-sector members of the Tajikistan Chamber of Commerce and Industry.

Transports Internationaux Routiers Convention

ATAR worked on the implementation of the TIR Convention in Tajikistan in order to facilitate transit trade among countries in the region, in particular Afghanistan. ATAR participated in a regional TIR seminar in May 2015 with representatives from customs administrations of Azerbaijan, Turkey, and Tajikistan, and representatives of ABBAT, which is the Tajik national transport association authorized to issue TIR carnets. The main objective of the seminar was to analyze the status of implementation of the TIR Convention. The four-day seminar culminated in a visit to the Dusti border crossing point with Uzbekistan.

ATAR also started discussion with ABBAT regarding its proposal to establish a TIR "green lane" window which could provide simplified acceptance, review, and release of documents for trucks coming to the Tajik border under TIR carnet.

Customs Support

In October 2015, Tajikistan reconfirmed its commitment to ratify the WCO RKC. Tajikistan needs to improve its customs procedures to achieve compliance with the WCO RKC.ATAR conducted several activities with Tajik Customs to comply with the WCO RKC with respect to capacity in risk management and post clearance audit (PCA) functions, development and awareness of an authorized economic operator (AEO) concept with customs and the private sector, and a review of the one-stop-shop model implemented at the border crossing posts.

ATAR contributed to an action plan for the Tajikistan State Customs Service to achieve compliance with the WCO RKC. ATAR's contribution was based on analyses conducted by USAID's Trade Accession and Facilitation for Afghanistan (TAFA) project in May 2013 and was shared with the GIZ trade team upon the request of MEDT. ATAR, in partnership with GIZ, will continue to work with MEDT and Tajik Customs for the adoption of this plan.

What is WCO RKC?

The WCO Council adopted the revised Kyoto Convention (RKC) as the blueprint for modern and efficient customs procedures. Once implemented widely, it will provide international commerce with predictability and efficiency.

The RKC elaborates several key principles:

- transparency and predictability of customs actions;
- standardization and simplification of the goods declaration and supporting documents;
- simplified procedures for authorized persons;
- maximum use of information technology;
- minimum necessary customs control to ensure compliance with regulations;
- use of risk management and audit based controls; and
- coordinated interventions with other border agencies.

In support of promoting trade facilitation measures called for in the WCO RKC, WTO TFA, and CBTA, ATAR assisted with the installation of a risk information database at three customs stations in Dushanbe identified as crucial links for expanding information flow to the risk management unit: the airport freight office, the railway freight yard, and the international post office. ATAR complimented each installation by providing on-the-job training for customs staff and delivered a paper on identification of information, mechanisms for collection, analysis, and dissemination, and data collection principles. ATAR had developed the risk information database, which offers centralized collection of information relating to non-compliance and enables effective risk analyses to be conducted.

ATAR also proposed a structure for centralized risk management, including the introduction of a risk management committee, developed job descriptions for the risk management unit, and prepared a proposed training plan for the risk analysts. The proposals were translated and submitted to the Tajik State Customs Service.

In an effort to further promote trade facilitation between Tajikistan and Afghanistan, ATAR drafted an agreement on mutual exchange of risk management information in customs matters and proposed the agreement for the adoption of ACD, the Tajikistan State Customs Service, and the Kyrgyzstan Customs Service. ATAR presented the draft agreement to the Tajikistan State Customs Service and is awaiting feedback. The agreement is intended to strengthen customs-to-customs cooperation in the exchange of information for customs risk management and will help promote regional and international cooperation.

What is PCA?

Post clearance audit (PCA) is an audit-based customs control performed subsequent to the release of cargo from customs' custody. The purpose of such an audit is to verify the accuracy and authenticity of declarations and covers the control of traders' commercial data, business systems, records and books.

ATAR worked to improve the capacity of Tajik Customs to conduct PCAs. ATAR completed development and translation of a proposal for dialogue between Tajik Customs and private-sector representatives on the requirements to comply with an order for audit. This included a presentation, public notice, concept paper, and recommendations. ATAR translated the documents and provided them to the Tajikistan State Customs Service.

ATAR conducted a five-day training program on PCA in September 2015 at the Customs Institute for Professional Development in Tajikistan. Thirteen participants, mainly from the Tajikistan State Customs Service, participated in the training. ATAR also held a roundtable targeting customs brokers and representatives of transport and logistics companies to promote awareness of how to prepare for and comply with a customs audit.



ATAR conducts training on customs post clearance audits in Tajikistan.

ATAR developed a model concept for the AEO program for consideration by Tajikistan Customs. The program would enable customs to quickly move and clear previously identified low-risk cargo through the ports of entry and border crossing points. The model includes criteria for participation, benefits, operational aspects, proposed amendments to the Customs Code, and a methodology for implementation. ATAR later supplemented the model concept by providing additional examples of best practice models used by other customs administrations.

In August 2015, ATAR held two roundtables to promote awareness of AEO best practices, criteria, and principles most suitable for adaptation in Tajikistan. The first roundtable targeted customs brokers, transport and logistics company representatives, customs officers, and representatives from the Tajikistan State Customs Service and MEDT. ATAR held a second roundtable for the Tajik State Customs Service.

ATAR also completed a proposal for the Tajikistan State Customs Service regarding the issuance of customs advance rulings. ATAR noted customs has the legal capacity to issue advance rulings in respect to tariff classification and preference of origin questions, but is not offering this facilitative service to the private sector. ATAR will present this proposal to Tajik Customs for consideration once a decision has been made by the Tajik government regarding the nomenclature they will adopt in the near future.

ATAR supported the Tajikistan State Customs Service on its national strategy for integrated border management following the country's implementation of a one stop shop. A "one stop shop" is as a system of coordination for state agencies involved in the clearance and inspection of goods and conveyances; the Tajik model is conducted under the supervision of the customs administration so that different controls, such as sanitary, veterinary, phytosanitary, and transport inspections, can be carried out in one place at one time.

ATAR, in conjunction with GIZ, was invited in November 2014 by Tajik Customs to review the one stop shop at Nijni Panj, the border crossing point with Afghanistan, and subsequently prepared a flowchart of current business processes, recommendations to improve business processes and interagency coordination, and an additional proposal recommending the formation of a national Border Management Steering Committee and the formation of inter-agency working group/s to enhance coordination, skills, resource-sharing, and risk analyses in the one stop shop.

In addition, ATAR drafted an MOU between the Tajik Customs Service and the Tajik Border Police. The MOU covered mutual understanding, cooperation with suspected border transgressions, and sharing of information, equipment, facilities, training, and technical expertise. ATAR presented the draft MOU to Tajik Customs, which confirmed it will further refine the proposed MOU and present it to Tajik Border Police colleagues in the near future.

Trade and Business Promotion

In July 2015, ATAR collaborated with the Sughd Regional Administration and other donors on a regional trade fair called "Sughd-2015" in Khujand. The fair brought together more than 100 exhibitors from Afghanistan, Belarus, Kazakhstan, Kyrgyzstan, Latvia, Poland, Russia, and Turkey from sectors such as agriculture, light industry, food production, services, and construction materials. The fair was preceded by a trade forum discussing ways to facilitate trade and exports of the Sughd region.

ATAR circulated the event invitation to Afghan producers, ACCI, and the Kabul Chamber of Commerce and Industries. ATAR participated in both the forum and the fair, identifying and meeting with Afghan participants and discussing opportunities for Afghan private-sector involvement in a similar event to be

conducted in 2016 in the southern region of Khatlon to be sponsored by UNDP's Aid for Trade and the project for Livelihood Improvement in Tajik-Afghan Cross-border Areas (LITACA) with the Khatlon and Sherkhan Bandar business councils.

4. Turkmenistan

WTO TFA/WCO RKC Assessment

In 2014, ATAR completed analysis of the Customs Code of Turkmenistan for conformity with WCO RKC and customs-relevant WTO agreements, including the General Agreement on Tariffs and Trade (GATT) 194, customs valuation, and rules of origin. ATAR also completed a conformity assessment of Turkmenistan's foreign trade regime with the WTO TFA.

ATAR completed translation of the two assessments and shared the Russian versions with USAID Turkmenistan. With the support of ATAR, USAID submitted a cover letter transmitting the analyses concerning the WCO RKC/WTO customs-related agreements to the Ministry of Foreign Affairs of Turkmenistan and offering the State Turkmen Customs Service assistance in aligning with the RKC and WTO customs-related agreements. ATAR is awaiting concurrence from the Ministry of Foreign Affairs to launch preparation.

Export Promotion

ATAR provided information on trade opportunities and facilitated linkages between Turkmen and Afghan businesses. ATAR explored the possibility of the Turkmen textile industry meeting Afghan buyers' needs and cooperation between Afghan businesses and Turkmenistan's Ministry of Textile Industry. ATAR held two meetings with the head of the Department of Foreign Economic Affairs of the Ministry of Textile Industry of Turkmenistan. In the first meeting, fabric samples from Afghanistan were presented to identify production potential of Turkmen factories to produce materials for Afghanistan. In the second meeting, the head of the department provided fabric samples produced by Turkmen factories for Afghan counterparts. ATAR gave samples of the fabrics produced by the Turkmen factories to the Chairman of Afghanistan's Balkh Chamber of Commerce and Industry to assess the quality.

ATAR also provided USAID's Regional Agricultural Development Program-West (RADP-W) project in Afghanistan with Turkmen fruit and vegetable market information to identify the potential to export Afghan agricultural products to Turkmenistan. ATAR researched market demand for grapes, tomatoes, and cucumbers and facilitated contact with the Turkmen Transportation and Logistics Co., which has trucks on both sides of the border to transport produce from Afghanistan to Turkmenistan. In addition, ATAR provided Berouge Paints Co. in Afghanistan with Turkmen market information to develop a strategy to enter the Turkmen market and facilitated contact with Transportation and Logistics Co. to deliver Berouge Paints to Turkmenistan. ATAR discussed possible logistical support with Muntaz Petroleum Co., which operates in Turkmenistan, in delivering fruit and vegetables to Turkmenistan for Afghan exporters working with USAID's RADP-W and in delivering paint to the Turkmen market for Berouge Paints.

In response to interest from the Turkmen Export Promotion Institute on USAID's export promotion support, ATAR provided a note highlighting USAID activities in neighboring countries related to export promotion and suggestions for support for the Turkmen Export Promotion Institute, Institute on Research of Commodity Circulation of Turkmenistan's National Goods, the Institute of Strategic Planning and Economic Development of Turkmenistan, and the Chamber of Commerce and Industry of Turkmenistan. ATAR is awaiting approval from the Ministry of Foreign Affairs on the proposed trainings and support.

ATAR prepared and submitted the project's quarterly activity plan for October through December to USAID Turkmenistan, which was submitted to the Ministry of Foreign Affairs of Turkmenistan. ATAR is awaiting approval from the Ministry.

At the request of USAID/Turkmenistan ATAR proposed technical assistance, in response to governmental interest, to deliver export development training for carpet industry representatives and proposed a seminar on export promotion strategies for the Institute on Research of Commodity Circulation of Turkmenistan's National Goods, the Institute of Strategic Planning and Economic Development of Turkmenistan, and the Chamber of Commerce and Industry of Turkmenistan.

ATAR also prepared and submitted technical assistance proposal for the State Association "Turkmencarpet." ATAR submitted the proposal to USAID Turkmenistan, which submitted it to the Ministry of Foreign Affairs of Turkmenistan. ATAR's proposed assistance included training for carpet industry representatives; facilitation of business-to-business matchmaking events for carpet industry officials to meet potential business partners; preparation of an export promotion strategy for the Turkmen carpet industry; and facilitation of Turkmenistan's participation in the Domotex carpet exhibition in Germany. ATAR is awaiting approval from the Ministry.

5. Uzbekistan

Trade Facilitation

In September 2015, ATAR launched a trade route mapping study for assessing alternative routes for linking Tashkent with New Delhi and the Arabian Sea. The study will support promotion of a bilateral agreement on transit and transport between Afghanistan and Uzbekistan and assist in identifying bottlenecks on key routes and presenting solutions for addressing them.

After preparing a questionnaire for the study, ATAR began collecting data from transportation/logistics and customs brokerages. The Uzbek Chamber of Commerce and Industries and Association for Development of Business Logistics (ADBL) were supportive of this effort and assisted in data collection. They also committed to facilitating the presentation of report, once prepared, for public discussions among stakeholders.

Per request of ADBL, ATAR also reviewed a concept presentation for establishing a major logistics center in Uzbekistan. ATAR prepared comments for meeting best practices and shared these with ADBL.

ATAR discussed with UNDP the possibility of cooperation on mapping import, export, and transit processes at the Termez crossing point and identifying bottlenecks and opportunities for streamlining processes and reducing steps for minimizing costs and delays. Uzbek customs is interested in a similar study for Tashkent airport and would likely agree on the Termez mapping if the task also covers the Tashkent airport. ATAR and UNDP will continue to work on securing concurrence of authorities on this critical study.

Customs Support

In a significant development in Uzbekistan, ATAR delivered training for 21 officers of Uzbekistan's Customs Committee on May 12-15, 2015. This was the first event of any kind held by USAID directly with Uzbek customs for more than a decade. The participants represented a cross-section of customs disciplines including inspectors from land crossings and the airport, currency control, valuation, human resources, the training academy, and the Office of Internal Security.





ATAR delivers training to Uzbek customs officers.

The program aimed to familiarize Uzbek customs with modern border management concepts including risk management and assessment, advance information, AEOs, supply chain security, information exchange (customs-to-customs and customs-to-business), and compliance measurement.

Participants were divided into three groups on the fourth day and were assigned to develop an AEO program based on risk for Uzbekistan. The three groups completed the task, demonstrating understanding of the concepts and how to apply them for facilitating trade and reducing the cost of doing business in Uzbekistan. ATAR provided a CD for each participant containing the presentations, RKC (English and Russian), WTO TFA (English and Russian), IRU Green Lanes (English and Russian), and a list of essential fields for a customs risk management database.

Uzbek customs expressed appreciation for the training provided by ATAR, and ATAR prepared additional proposals for training Uzbek customs on customs valuation for sharing with authorities once interests are reconfirmed.

ATAR also sponsored the participation of a representative from the Uzbek Customs Committee in the Central Asian Trade Forum in Almaty, Kazakhstan, in October 2015. For further information on the event, see the next section on Cross-Cutting Regional Activities.

6. Cross-Cutting Regional Activities

In all of its events, ATAR sought to include stakeholders from Afghanistan, Central Asia, and South Asia whenever possible to enable them to build business relationships, explore trade opportunities, and find solutions to trade and transit problems.

In December 2014, ATAR organized the Modern Transport and Logistics Workshop in Bishkek, Kyrgyzstan. Kyrgyzstan's Deputy Minister of Transport and Communications and Kyrgyzstan's Deputy Minister of Economy opened the workshop with USAID and Asian Development Bank officials. The three-day workshop covered a different theme each day: modern transport, policies and conventions; standards and best practices in logistics; and international transit and trade facilitation. Presentations and panel discussions covered topics such as transit and transportation, developments in the TIRConvention, CBTA, cold chain management, integrated logistics centers, transit corridors linking Central and South Asia, and trade facilitation in Central Asia.

The event brought together 110 customs and transport government officials, carriers, truck operators, freight forwarders, logistics service providers, and warehouse and storage operators from Afghanistan, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The Afghan Embassy in Kyrgyzstan participated actively in the event, including delivering opening remarks, moderating sessions, and participating in panel discussions.

The event not only brought together key players in the transport and logistics sector from seven countries, it also resulted in the signing of an "intent to cooperate" agreement between two companies– Customs Cargo Service Ltd. from Kyrgyzstan and LLC Ikdom from Tajikistan; ATAR facilitated private discussions prior to the signing ceremony. The workshop also include a visit to the Association of the International Road Transport Operators of the Kyrgyz Republic (AIRTO-KR) training center, which is an IRU-accredited training institute that runs TIR courses for Kyrgyz drivers.



Transport and government officials speak at the Modern Transport and Logistics Workshop.

In February 2015, ATAR participated in a wheat flour vitamin fortification working meeting in Almaty, Kazakhstan, with the USAID Mission for Central Asia and the Global Alliance for Improved Nutrition (GAIN). The group discussed strategies for harmonization of wheat flour fortification specifications throughout Central Asia, Pakistan, and Afghanistan. On the final day, ATAR presented research results to about 30 USAID officials, GAIN representatives and other interested parties during a video conference among USAID regional offices from Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan followed by discussion and plans.

In June 2015, ATAR participated by video in a stakeholder consultation called "Harnessing Production and Trade of Fortified Food Supplies for Afghanistan and Central Asian Region." GAIN hosted the conference in Islamabad, Pakistan; the conference was attended by about 20 public- and private-sector thought leaders, including millers and wheat and flour traders.

In June 2015, ATAR participated in the Trade and Investment Framework Agreement (TIFA) working group meetings organized by the U.S. Department of Commerce's Commercial Law Development Program (CLDP) in Astana, Kazakhstan, on customs, SPS, and technical barriers to trade. Participants included officials from customs authorities, ministries, and standardization agencies from Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. ATAR delivered two presentations and supported CLDP in facilitating working group meetings. ATAR held many meetings with officials from all six countries and provided clarifications and shared best practices on trade issues.

In June 2015, GIZ sponsored a regional WTO TFA regional workshop in Issyk-Kul, Kyrgyzstan. ATAR chaired both days of the workshop and delivered a presentation on comparative TFA compliance of select countries in the region. The participants were from the Kyrgyzstan, Tajikistan, Kazakhstan, and Uzbekistan. The workshop provided participants with knowledge of the WTO TFA, other possible trade facilitation techniques, information on forming a National Trade Facilitation Committee, and a methodology for developing an implementation work plan.

In July 2015, ATAR visited New Delhi, India, to assess the country's readiness to accede to the TIR Convention. ATAR interviewed FICCI, transport operators, and associations. ATAR concluded that it was premature for the country to accede to TIR. India has a significant maritime industry, which lowers the importance of land transport.

In October 2015, ATAR facilitated participation of 24 Afghan businesses and an Uzbek customs official in the Central Asia Trade Forum (CATF) organized by USAID's Regional Economic Cooperation (REC) project in Almaty, Kazakhstan. More than 600 participants from eight different countries participated in the event. In addition to facilitating their participation in the event, ATAR organized a study tour for six Afghan participants to a flour mill and food processing facility and organized meetings between Pakistani and Afghan businesses. ATAR also delivered presentations.

In order to maximize trade in Central and South Asia, ATAR also completed a 275-page study on regional comparative advantage and trade complementarity and completed action plans to accompany this report for each of the countries (Afghanistan, India, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan) to be shared with country counterparts and stakeholders. ATAR will translate the study into Dari and Russian for dissemination in March 2016.

E. COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. Support Regional Integration

ATAR assisted ACD on a draft MOU with the United Arab Emirates (UAE) regarding closer cooperation on exchange of information and mutual assistance in customs matters. It is anticipated that the UAE will become a strategic partner in Afghanistan's efforts to tackle the revenue loss from goods imported via air and the illicit export of currency and gold. As well as data exchange, ACD indicated that it would like the UAE to provide technical training for ACD staff and co-develop an officer secondment program under which, for example, ACD staff work in the UAE customs service for a period of time.

MOFA is reviewing the MOU, and, upon signature, ATAR will provide technical assistance during 2016on customs matters raised between ACD and UAE. This will include the funding of a number of official visits to Dubai to progress working groups between the Afghan and UAE customs services.

ATAR also ensured dialogue with colleagues based within Central and South Asia in an effort to enable harmonized procedures aimed at facilitating cross-border traffic. For further information on customs work in Central and South Asia, see Component 2: Facilitate Enhanced Access to Regional Markets.

2. Institutionalize the Border Management Model

In partnership with ACD,ATAR conducted a review of the Border Management Model (BMM) in the project's first year and submitted the report to ACD at the start of the project's second year. In summary, all of the six locations inspected were found to be fully compliant with the provisions of the BMM. Furthermore, both ACD and ABP appear to have fully embraced BMM principles at all of the inspected locations. Both parties stated the implementation of SOPs, which resulted from BMM, resulted in close working relationships. Though the assessment was positive, ACD must look toward implementing a formal monitoring program to ensure future compliance and sustainability.

What is BMM?

Afghanistan's Border Management Model (BMM) establishes clear roles for ACD, which is responsible for cross-border trade, and the Afghan Border Police (ABP), which is charged with immigration and national security at the borders.

The model encourages information sharing between the two entities to stem corruption, smuggling, and other illegal activities. The aim of the model is also to reduce interaction with other agencies at the border, thereby speeding up trade.

Following a pilot in Balkh province, ACD implemented the BMM at customs sites across the country between 2012 and 2013.

Throughout the project's second year, ATAR regional staffcontinued to monitor the implementation of BMM through weekly reporting. These weekly reports highlighted examples of best practices as well as any areas of concern that need to be raised with ACD's Director General.

3. Strengthen the Customs Code and Customs Policies

ATAR worked with ACD's Legislation Department to review a number of policies to ensure they were compliant with relevant laws and international best practices. Where possible, ATAR streamlined the processes contained within each policy to minimize barriers to legitimate trade.

These policies included warehousing, advanced rulings, and licensing regulations. In addition, to coincide with ACD's development of PCA functions, ATAR focused technical assistance on reviewing and improving PCA legislation with the legal department. In this area, the current customs legislation only

supports PCA activities where an offense is suspected – serving as an enforcement function. Future legislative amendments are aimed at allowing customs to audit entities as part of a more holistic compliance function in accordance with WCO best practices. In line with the proposed amendments, the PCA function will require more detailed regulations to support planned activities of the PCA unit.

4. Implement Risk Management Systems

ATAR progressed risk management with support to ACD's risk management working group, risk management training to ACD officers, and installation of new equipment for a national hotline that will allow members of the public and government to report suspected smuggling for subsequent investigation.

Risk Management System

ATAR monitored ACD's risk management system in Kabul, Herat, Jalalabad and Mazar-e Sharif through risk management data obtained by ATAR's staff in the regions. ATAR developed a template for a weekly compliance snapshot that allows ACD management to closely monitor regional compliance and performance data. This data includes risk management information that identifies the number of interventions in each selectivity lane; number of infractions; and any additional revenue following selectivity controls and the percentages related to the overall revenue collected.

What is Risk Management?

In the past, ACD required all imports and exports be subjected to a physical examination, causing delays in clearance and using staff inefficiently.

In 2012, ACD developed and implemented a risk management strategy – an internationally accepted approach to using limited resources to identify consignments assessed as posing a risk. Traders and brokers with a documented history of compliance with ACD's laws and requirements face minimal to no intervention.

With donor support, ACD implemented risk management at most clearance sites. Under the approach, ASYCUDA identifies cargo for different clearance methods: potentially high-risk cargo to a red lane for a physical exam; moderate-risk cargo through a yellow lane for a documentary check; and remaining cargo is regarded as low risk and goes to the green lane for immediate release.

ATAR developed 13 report templates that will be coded within Automated System for Customs Data (ASYCUDA) World so that appropriate data can be extracted easily. This data will be used to assist ATAR in advising ACD in risk management areas including intervention percentages, compliance assessments by location, use of random selectivity, and performance of regional risk profiles (i.e. those that yield the greatest number of infractions). Once these reports are coded within the system and ATAR obtains the data, the project expects to submit its complete assessment of the implementation of risk management.

In April 2015, ATAR undertook a joint visit with ACD's Director of Enforcement to Herat. Together, they reviewed Herat's risk management system, checked processes, and conducted meetings to discuss issues. During their visit, they ascertained there was a need to enhance basic risk management awareness and provide associated training.

In effort to build ACD's regional capacity in risk management, ATAR delivered training in June 2015 to ACD staff in Herat. The training covered risk management standards, processes, and steps as well as proper completion of ASYCUDA profile requests.

With ATAR support, an ACD risk management working group met for the first time in June 2015. Since then, the working group met periodically and agreed upon changes to risk management – most notable of which was a reduction in the intervention rates at Jalalabad Inland Clearance Depot (ICD). The working group also took steps toward implementing random selectivity at Jalalabad ICD. At an automated level

through ASYCUDA, random selectivity allows ACD to select a small percentage of consignments for intervention that would otherwise not be selected. This allows ACD to test the risk and confirm the assessment of a particular consignment or allow ACD to change risk profiles accordingly.

In August 2015, ATAR delivered refresher training in the completion of an ASYCUDA Profile Request 1 (APR1), issued for requesting and approving new risk profiles, to 14 ACD officers, including those from the risk management working group.

National Hotline

ATAR assisted ACD in reconfiguring equipment to service ACD's national hotlinethat will provide stakeholders, including ACD staff, other government officials, traders, and the public, with a secure and confidential means to report illicit activity.

ACD began exploring the option of having a toll-free number and has made progress in obtaining such a number through the relevant ministry. Once this number is secured, the hotline will be re-activated so callers can report suspicious activity for subsequent investigation. ATAR will assist ACD in delivering outreach material andhas proposed that reporting mechanisms should be expanded to include a standard reporting template linked to the ACD website.ACD is identifying ways to secure a 24/7 power supply to the equipment as ACD turns off headquarters' electricity on weekends.

5. Implement Electronic Payment of Customs Debts

ATAR worked closely with DAB and ACD to reach an agreement on electronic payment, known as E-Pay, of customs duties and implement the system, which allows those importing goods to pay customs taxes at any commercial bank in Afghanistan. With ATAR support, ACD and DAB launched the pilot phase of E-Pay of customs duties in May 2015 in Hamid Karzai International Airport and Kabul ICD.



Deputy Minister of Finance Gul Maqsood Sabit (center) speaks at the E-pay press conference.

As of the end of the project year, the major communication companies such as Etisalat, MTN, AWCC, and Roshan are using E-Pay to pay their customs duties. ATAR met with representatives of AWCC, MTN, and Roshan to enquire about their use of E-Pay. Overall, participants offered positive feedback, citing the ease of paying electronically and reduced expenses since they do not have to provide security for the transport of cash. (For further information, see Annex A: ATAR Success Stories.)

Revenue generated from E-Pay comprised more than 25 percent of total revenue collected in Hamid Karzai International Airport at the end of the project year. It is expected that this figure will rise considerably with the closure of DAB branches over the next two years. Such closures are in line with the government's strategic objective of moving DAB away from such banking functions.

ACD and DAB began discussions for the rollout of E-Pay in the latter half of the year. ATAR continued to work with DAB in an effort to move toward full-automation of E-Pay through the development and implementation of a software patch. This patch will allow the DAB banking system and the ACD processing system to interact on a fully automated level and facilitate electronic acquittal of customs declarations. In turn, this patch will allow the introduction of further methods of electronic payment, such as the use of debit or credit swipe-card readers at customs offices and the use of internet or telephone banking.

6. Increase Gender Representation

ATAR began recruiting for an internship program in late 2014 to place young university graduates at ACD for six months, with the aim to prepare them for a possible career at ACD or to give them a foundation for a job in the trade sector. While ATAR focused on recruiting mainly females for the internship program, the vast majority of qualifying resumes were from males.



One of the interns under ATAR's program works at her computer at ACD.

ATAR began the internship program in December2014, with two females and seven males. The students worked in ACD's tariff, exemption, PCA, valuation, tariff research and statistics, and transit departments. ATAR supported the ACD internship program through regular meetings and daily workplace support. The interns completed their six-month internships in June 2015. ATAR's second internship program at ACD began with the recruitment of three female interns in September 2015 and five males in October 2015 for the program.

In an effort to reduce the gender gap at ACD, ATAR delivered a gender awareness train-the-trainers course in January 2015 to seven trainers from ANCA. With ATAR support, the ANCA trainers then led

gender awareness courses later in the month, with 21 male participants and with 24 female participants. This training module will become a part of ANCA curriculum.

7. Reduce Corruption at ACD

In late 2014, ATAR worked with the ACD Director General to identify a strategy for tackling internal compliance and staff misconduct. This included drafting proposals for the development and implementation of two functions: a Professional Standards Unit (PSU) and an Internal Compliance Unit (ICU). Though based at headquarters, these units will operate nationally and report directly to the Director General. These control mechanisms will provide a framework so ACD can audit compliance with its own internal policies and identify and investigate misconduct, including corruption.

Professional Standards Unit

The PSU will be primarily responsible for identifying and investigating alleged cases of unethical or illegal activities perpetrated by ACD staff. This will be achieved through the collection and analysis of information, including interviews with government officials or members of the public, in support of proving or disproving the involvement of a staff member.

The proposed strategy is underpinned by ACD's new code of conduct that details the behavior expected from all staff. All staff will be required to sign this revised code once they have received the one-day PSU awareness training module, developed by ATAR, at ANCA.

To help ensure a transparent and standardized approach to all PSU activities, ATAR drafted a comprehensive procedural manual that covers all aspects of the process, from initial identification of an offence to punitive action. The policy and procedures included necessary safeguards for protecting the confidentiality and integrity of any information received from sources.

Internal Compliance Unit

In February 2015, ATAR undertook a gap analysis of internal audit operations at ACD. This assessment identified that the work undertaken by the Prevention of Customs Transgressions Department related more to the post verification audit of traders and brokers than it did to an internal audit unit. The assessment concluded ACD did not operate an effective internal audit function and the primary recommendation made was for ACD to establish a centralized Internal Audit Unit.

In an effort to avoid confusion with the existing Internal Audit Unit based within the Ministry of Finance, ATAR agreed to change the unit name to the Internal Compliance Unit (ICU). The primary objective of the ICU will be to assess compliance with existing strategic, operational, and tactical policies, processes, and procedures undertaken by ACD at both a headquarters and regional level. As well as identifying unnecessary burdens to trade or procedural inefficiencies, the ICU will be responsible for identifying systematic abuse of systems by ACD staff or the trading community.

Where necessary, the ICU will draft revised SOPs to ensure opportunities for illicit activities are minimized. In the event that any illegal or unethical staff behavior is suspected, the ICU will refer the case to PSU. If any illegal activity is thought to have been perpetrated by the trading community or by customs brokers, the ICU will refer the case to the ACD Enforcement Department.

Three-Silo Compliance Strategy

In March 2015, ATAR gave a presentation to ACD senior management to highlight requirements for ACD to enhance its compliance strategy through the implementation of an ICU, PSU, and reform of existing PCA activities. ACD agreed with ATAR's proposed three-silo strategy in principal and welcomed additional workshops and submission of associated policy proposals.

After a number of senior staff changed at the end of the year, ATAR presented its three-silo strategy to ACD's new Director General and new Deputy Minister of Finance. Both were supportive and stated the measures proposed would have a significant impact upon malfeasance in ACD. The Deputy Minister said he would sign the ICU policy, which will be made available upon a final review of translation. The Deputy Minister tasked ACD's Director of Support and Development with ensuring the necessary positions to support the PSU are included in the revised ACD organizational structure. It is expected that preparatory work will begin to implement the ICU and PSU early in the third project year.

Corruption Strategy

In late 2015, ACD's Director General requested that ATAR meet with the Afghan Revenue Department (ARD) Director of Large Tax-Payer Officer (LTO) in connection with government anti-corruption efforts. During the meeting, the ARD LTO Director said he had been tasked by the Minister of Finance with developing an anti-corruption strategy for ACD and ARD. Upon the Director's request, ATAR drafted the ACD portion of this document and submitted it for comment. The document was well received by the Director, who requested follow-up meetings to progress the strategy.

In August 2015, ATAR assisted ACD in implementing a sterile office environment in the entry processing unit at the Jalalabad ICD to reduce interaction between brokers and traders with customs officers and decrease opportunities for corruption. ATAR will support ACD's implementation of this method in other regions.

8. Implement Outreach Programs

ATAR helped ACD develop E-Pay educational posters in Dari, Pashtu, and English for placement at ACD and commercial banks and assisted ACD in developing a press release regarding the launch of the E-Pay system. ATAR also supported printing of the educational posters for Mazar-e Sharif, where E-Pay will next be introduced.

Following a request from the Director General in reviewing customs currency controls at Hamid Karzai International Airport, ATAR developed a draft poster in Dari, Pashtu and English. Upon approval of ACD, ATAR will print the posters for placement in key areas of the airport so that travelers are aware of the requirement to declare cash in excess of $10,000.

ATAR also developed a poster to publicize the national hotline and is awaiting ACD's procurement of a toll-free number before finalizing and printing the poster. Once the PSU is operational at ACD, ATAR will also work with ACD to develop materials to reach traders and the public.

9. Support Streamlined Customs Procedures

ACD drafted and implemented a blueprint on import clearance in 2011 to reduce the number of importation steps to 13, thereby implementing unified procedures at ICDs. During the gap between TAFA

and ATAR, regions introduced redundant steps that deviated from the blueprint, increasing costs, delaying clearance, and increasing opportunities for corruption.

ATAR staff in Kabul, Mazar-e Sharif, Herat, and Jalalabad worked with regional ACD staff to identify and record compliance with the blueprint. The latest status report highlights that all ICDs have introduced additional steps. ATAR worked with ACD regional directors to review additional steps to determine whether they should be removed or not.

To assist in this matter, ACD's Director General told ATAR he has reiterated to all regional directors that they must adhere to the original streamlined procedures decree, which contained 13 steps. Going forward, ATAR will report directly to the Director General if additional steps are discovered.

In addition, ATAR monitored the release times of consignments allocated to either the green (release), yellow (documentary check), and red lane (physical examination). The latest release times, as of the end of October 2015, are below.

	Green Lane (Immediate Release)	**Yellow Lane** (Documentary Check)	**Red** (Physical Inspection)
Herat ICD	55 minutes	1 hour 40 minutes	2 hour 30 minutes
HKIA	N/A	N/A	N/A
Jalalabad ICD	58 minutes	1 hour 12 minutes	1 hour 35 minutes
Balkh ICD	1 hour 10 minutes	1 hour 30 minutes	2 hours
Aquina ICD	50 minutes	1 hour 30 minutes	2 hours
Shir Khan Bandar	40 minutes	1 hour 10 minutes	1 hour 40 minutes

10. Support the Afghan National Customs Academy

ACD's ANCA comprises classrooms, computer labs, an auditorium, and a space for practical trainings, such as vehicle examinations. When fully occupied, ANCA could train more than 400 students per day. ANCA has four dormitories (including one female dormitory) that can house up to 112 students. Up until September 2014, the Border Management Task Force (BMTF) provided financial support for the operation and maintenance of ANCA. After that time, ANCA did not have financial resources to operate.



An ANCA employee practices his presentation skills.

In support of ANCA when the academy procures funding and is fully operational, ATAR prepared training modules for ANCA to use for training customs official on a variety of topics. ATAR developed a train-the-trainers course that focuses on presentation skills and delivered the course to 10 staff from the ANCA and the ACD Enforcement Directorate in May. ATAR also developed "how to deliver" training for 26 modules with trainers' notes on topics including mobile verification teams, risk management,

intelligence, ASYCUDA profile request forms, selectivity and targeting, and pocket notebooks. The length of courses ranges from one day to four weeks. After delivery, ACD will be able deliver the modules to all staff in those work areas.

ATAR supported ANCA in implementing best practice administrative guidelines, and ANCA reviewed an ANCA SOP developed by ATAR and agreed on the document. This has been submitted to the Director General and Director of Support and Development for final approval and implementation.

At ANCA's request, ATAR printed BMTF presentations to form the basis of a training library. The ANCA trainers reviewed their own training materials to agree on the latest versions, which can then be transferred to the shared drive for ANCA.

11. Enhance the Development of Post Clearance Audit

ATAR met with ACD's Director of Operations and the PCA Team Manager to prepare a gap analysis detailing the status of Afghanistan's PCA and requirements to meet best practices. ATAR's gap analysis found that about 58 ACD staff in the headquarters and provinces are performing activities under the umbrella of PCA. These activities relate more to transactional verification than best practices of PCA, and instead of post clearance, activities are undertaken prior to the goods being released by ACD.

PCA should assist ACD to build confidence in a customer's internal operating procedures and to identify their compliance with laws and procedures. If a company has robust measures in place to ensure they follow rules, there is a better chance they will be voluntarily compliant. Once confidence is secured following an audit, ACD can then reduce intervention for that particular trader. As it is expected that these companies account for a large percentage of imports, ACD can focus efforts on the smaller percentage of traders who are less likely to be compliant.

ATAR's analysis also found customs legislation is insufficient to support a robust PCA approach; the PCA mandate is linked to frontier activities instead of a central compliance-based function; existing documents are too focused on linking PCA to high-risk transactions and more enforcement-related activities; there are no formal PCA guidelines and associated working documents; there is no well-documented and compliance-based audit plan; and PCA personnel are not trained in audit techniques.

As an annex to the gap analysis, ATAR submitted a PCA implementation action plan to ACD. The implementation plan contains strategic and operational decisions that need to be made regarding legislative review and amendment; team mandate; geographical location (centrally located with the capacity to expand into the regions); infrastructure and resources; recruitment of technical personnel; reporting avenues; and access to ASYCUDA data.

The Director of Operations supported the implementation of a PCA working group, which had an introductory meeting in June 2015and met once or twice per week throughout the remainder of the project year.

ATAR also supported ACD's PCA Department through workshops and training as part of a capacity building program. In March 2015, ATAR delivered a PCA workshop to PCA headquarters staff, the Director of PCA, and the Director of the Risk Management Unit. In October 2015, ATAR held a workshop for five members of the PCA working group. The workshop covered a review of the draft PCA policy and procedural documents and discussions regarding constraints to implementation. Later in October, ATAR held a five-day training course for six participants – the PCA Working Group members and an employee of ACD's Legislative Department – on international best practices. ATAR held a third

workshop in October 2015 on planning skills – which is a core skills requirement for audit – for the six participants and covered objectives, responsibilities, and a suggested planning approach for PCA.

12. Strengthening the TIR and Transit Regimes

ACD is key in the implementation of TIR as it regulates the use of TIR carnets at border crossing points, imposes proper customs controls so that transit shipments are trustworthy, and conducts physical inspection of the vehicles before issuing a certificate of approval.

ACD finalized the TIR procedure with ATAR's support. The procedure included a TIR glossary and duties and responsibilities of departure, in-route, and destination customs houses. The procedure will be shared with ACD's Operations Director and then requires final approval by ACD's Director General and the Minister of Finance. In addition, ATAR assisted the ACD on the Dari guidelines of the TIR carnet; the guidelines were finalized and sent to ACD's Director Operations for approval.

In order to help customs officials on the ground understand the TIR Convention and facilitate transit trade, ATAR conducted a three-day TIR course for 15 officers from ACD in November 2014 at ANCA. The course covered vehicle standards, use of TIR carnets, and Safe TIR, which allows for the verification of the status and validity of each TIR carnet at any moment in real time. ATAR also delivered a TIR "train-the-trainers" workshop for 24 participants from ACD and ANCA in May 2015, and ATAR delivered a TIR "train-the-trainers" workshop for 12 customs officers in October 2015.

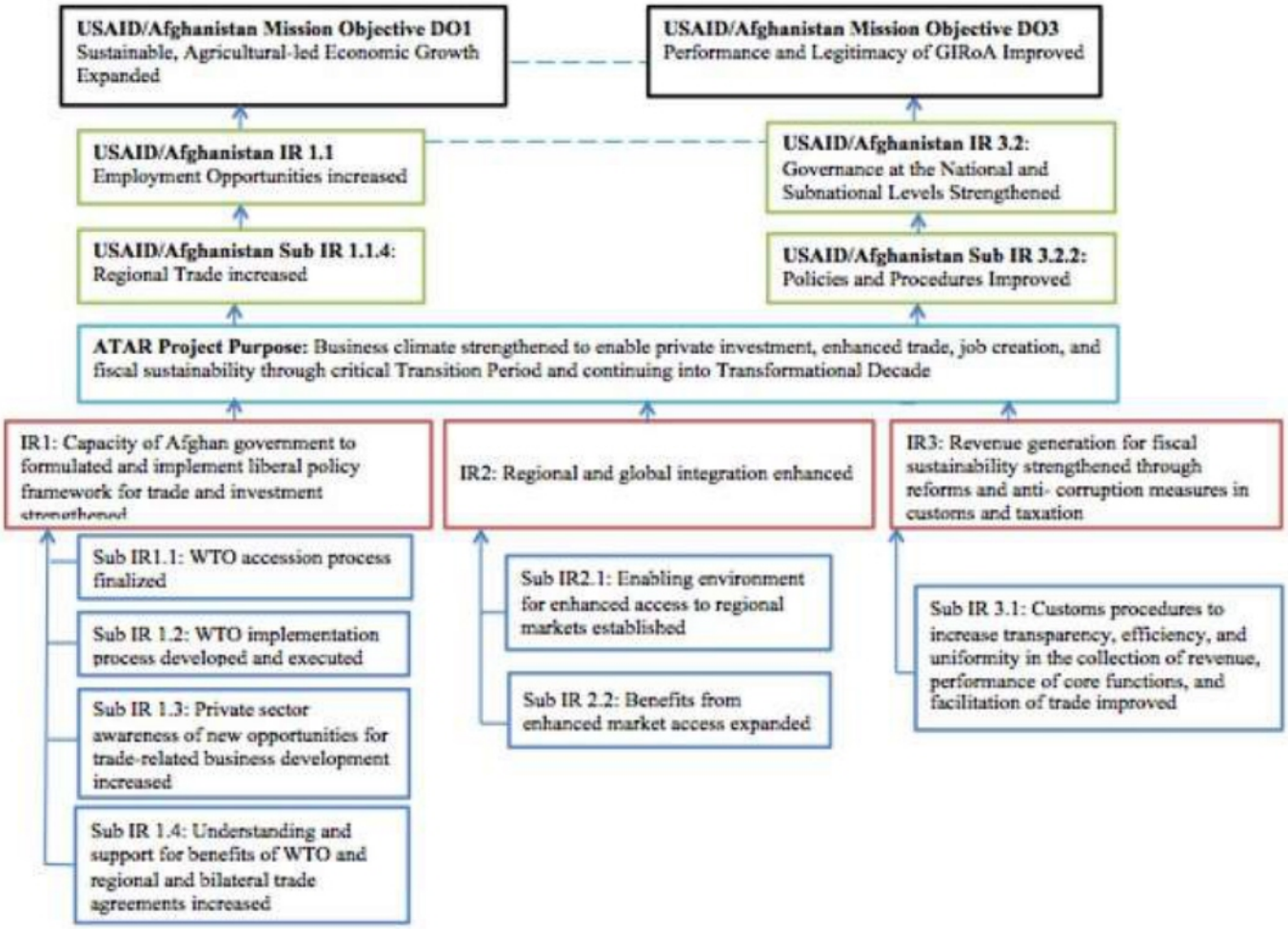
13. Enhancing ACD Performance

In the first half of 2015, ATAR developed a list of data required from ACD to enable the evaluation and comparison of the performance of ACD's customs offices. ATAR requested ACD to provide the following data: a detailed budget on customs lines; trade statistics such as imports, exports, declarations, and revenue; transit statistics; statistics on physical inspections; number of containers of imports/exports; number of procedures; formal risk assessment reports; audit reports; customs investigation reports; number of documents available on intranet/internet; statistics on manifest in electronic format; customs warehouses reports; and number of customs complaints.

ATAR collected data for a financial and economic model to evaluate the performance of the customs administration relative to good practices and allow the comparison of customs offices. ATAR also provided training to ACD's Tariff Department on data entry into the model to obtain and interpret the results. ATAR is reviewing and revising the report for submission to ACD.

F. INDICATOR PERFORMANCE

USAID's Mission Result Framework, ATAR comes under DO1/Sub-intermediate result 1.1.4 Regional Trade Increased and DO3/Sub-intermediate result, 3.2.2 Policies and Procedures Improved. The following results framework illustrates the ATAR project scope; indicators of these outcomes are detailed in Annex C and the project's monitoring and evaluation plan.



ATAR monitored progress based on project indicators applicable to each component as well as cross-cutting issues. The project had 39 indicators in place in its second year, 18 were "tracking only"[10]while the project was responsible for the remaining 21. By the end of the second contract year, ATAR surpassed targets in 12of its project indicators, fell short of five, matched two, and scheduled activities for two of the project indicators at a later date.

The results against the indicator targets are detailed in the following table. Details on the results and the project's performance are offered in the notes column. Indicator targets that were surpassed are highlighted in green, those that were missed are highlighted in orange, and those matched or scheduled for a later date in yellow, while "tracking only" indicators are not highlighted:

- Project indicator targets surpassed
- Project indicator targets missed
- Project indicator targets matched or activities planned for later date
- Tracking only indicators (not highlighted)

[10] Indicators used for tracking purposes only show at a higher level whether efforts in the sector by many contributors are producing results. Changes in these indicators cannot be attributed to the efforts of one donor only and can be caused by factors outside the control of any one donor.

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov 2013 to Oct 2015)	Project Achievement for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical Transition Period and continuing into the Transformational Decade											
1	Growth in trade volume (import, exports, transit)	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	AFN 382,848 million in 1391[11] excluding transit (ACD)	9.4%	9.4%	Tracking only	12% growth	Trade volume is defined as the licit trade value of goods brought into Afghanistan (import), the value of Afghan goods sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). Total volume of trade in 1393 was AFN 418, 654.17 based on ACD data, including imports (AFN 384,867.12) and exports (AFN 33,787.04). Transit volume statistics were not available; ATAR is seeking a data source to add so it can track progress toward 10% targeted growth in transit volume stated in the contract. This indicator is tracking only and ATAR will set expected targets but will not be accountable for achieving specific targets. As per the contract, indicators used for tracking purposes only show at a higher level whether efforts in the sector by many contributors are producing results. Changes in these indicators cannot be attributed to the efforts of one donor only and can be caused by factors outside the control of any one donor. Statistics are as reported by ACD.
2	Growth in (real) gross domestic product (GDP) per capita	Outcome/ Impact Required by Prime Contract	By sector	Central Statistics Organization (CSO), World Bank Report	Annual	AFN 1,117,098 million (2013)	AFN 1,201,121 million (2014)	AFN 1,201,121 million (2014)	3%	3%	Missions are not expected to report on this indicator. The information is tracked by USAID's Economic Growth and Trade (EGAT). Annual percentage growth rate of GDP per capita based on constant local currency. GDP per capita is gross domestic product divided by midyear population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
3	Foreign trade(X-M) as a percentage of GDP	Outcome/ Impact Required by Prime Contract	By sector, import and export	World Bank Report	Annual	Import 39%, Export 6% in 2012 (World Bank)	Import 47%, Export 6% 2013 (World Bank)	Import 46%, Export 6.6% 2014 (World Bank)	Import 7%, Export 20%	Import 7%, Export 20%	Missions are not expected to report on this indicator. The information is tracked by EGAT.Sum of exports as % of GDP and imports as % of GDP. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Imports of goods and services represent the value of all goods and other market services received from the rest of the world.

[11] The Afghan government reports data according to the solar calendar, in which 1391 aligns with the Gregorian year 2012-2013, 1392 aligns with the Gregorian year 2013-2014, etc.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
4	Value of goods imported to the U.S. taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD	Annual	AFN 6.175 million (1391)	Will be reported next annual report	Will be reported next annual report	AFN 7 million	AFN 9 million	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan. Statistics as reported by ACD.
5	Export	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	AFN 16,328 million (1391)	AFN 28,491 million (1393)	AFN 28,491 million (1393)	AFN 28,380 million	AFN 40,000 Million	Missions are not expected to report on this indicator. The information is tracked by EGAT. Growth of exports is expected to increase 3% annual as per the contract. Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments. Disaggregation by Country (1393) in Million AFN: India = AFN 3,908; Pakistan = AFN 7,253; Iran = AFN 1,565; UAE = AFN 3,109 ; Tajikistan = AFN 478; Turkey = AFN 1,598; Other = AFN 5,991 As per the contract, this indicator is tracking only and ATAR will set expected targets; indicators used for tracking purposes only show at a higher level whether efforts in the sector by many contributors are producing results. Changes in these indicators cannot be attributed to the efforts of one donor only and can be caused by factors outside the control of any one donor. Statistics are as reported by ACD.
6	Import	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	AFN 366,519 million (1391)	AFN 384,867 million (1393)	AFN 384,867 million (1393)	AFN 378,593 million	AFN 410,000 million	Missions are not expected to report on this indicator. The information is tracked by EGAT. Imports of goods and services represent the value of all goods and other market services received from the rest of the world. Disaggregation by country in 1393 (in million AFNs): China = AFN 70,665; Iran = AFN 58,950; Japan = AFN 20,490; Kazakhstan = AFN 22,321; Malaysia = AFN 18,101; Pakistan = AFN 73,006; Turkmenistan = AFN 23,482; Uzbekistan = AFN 18,506 ATAR will report on this indicator, but will not be held accountable for achieving specific targets. Statistics are as reported by ACD.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
7	Change in World Bank's Doing Business ranking, trading across borders indicator	Outcome/ Impact Required by Prime Contract	None	World Bank Doing Business Annual Report	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2015)	174 (Doing Business Annual Report 2016)	178	178	The World Bank Doing Business report presents quantitative indicators compared across 189 economies over time. Afghanistan was ranked 179 out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2015 report, Afghanistan is ranked 184 out of 189 countries. Note: The contract says to improve 7 positions from Afghanistan's position of 178 in 2013. Actual real progress towards objective of improving "trading across borders" is relative to changes in the total number of countries surveyed as well as improvements/failings of other states. As per the contract, this indicator is tracking only and ATAR will set expected targets; indicators used for tracking purposes only show at a higher level whether efforts in the sector by many contributors are producing results. Changes in these indicators cannot be attributed to the efforts of one donor only and can be caused by factors outside the control of any one donor..
8	Ease of Doing Business rank	Outcome/Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	183 (Doing Business Annual Report 2015)	177 (Doing Business Annual Report 2016)	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small- to medium-sized business when complying with relevant regulations. Based on the 2015 report, Afghanistan is ranked 183 out of 189 countries. Based on the 2016 report, Afghanistan is ranked 177 out 189 countries
9	Number of public policies introduced, adopted, repealed, changed or implemented consistent with citizen input	Outcome/ Impact USAID requested indicator	Policies introduced Policies adopted Policies repealed Policies changed Policies implement-ed	Project/ program document-ation, direct observation, analysis of secondary data and third-party observation (i.e. monitoring of public policy by local NGO)	Annual	0	0	0	Tracking only	Tracking only	Public policies include any law, regulation, policy or similar directive that is formally adopted by either the legislative branch or a unit of the executive branch at any level.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened											

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
10	Reduction in discrepancy between the Central Statistics Office and ACD on trade statistics	Output USAID requested indicator	N/A	CSO/ACD	Annual	27%	19.90%	19.90%	20%	10%	The difference between values reported by ACD and CSO divided by the average of the two values, shown in percentage.
PIR 1.1: WTO accession process finalized											
11	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records and MOCI	Quarter-ly	0	24	13	12	30	Bringing the legal framework in line with WTO agreements is a pre-condition for becoming a member. This indicator will capture progress made when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) President endorsement. **ATAR Project Year 1 Achievements;** 1. Law on Plant Protection and Plant Quarantine submitted to the Council of Ministers by MOJ 2. Law on Animal Health and Veterinary Public Health submitted to MOJ by MAIL 3. Law on Indication of Production Place submitted to Council of Ministers by MOJ 4. Law on Trademarks approved by Council of Ministers and submitted to Parliament 5. Amendments to the 2005 Customs Law submitted to Council of Ministers by MOJ 6. Amendments to the Patents Law submitted to Councils of Minister by MOJ 7. Procedure on Intellectual Property Border Enforcement submitted to the Minister of Finance for signature 8. Procedure on Intellectual Property Border Enforcement came into force on April 12, 2014 9. Draft Copyright Law submitted on July 27, 2014, to the Council of Ministers by MOJ. 10. Draft Law on Animal Health and Veterinary Public Health submitted to MOJby MAIL 11. Draft Law on Indication of Production Place submitted to Parliament in Oct. 11, 2014 12. Draft Law on Trademarks approved by Lower House and submitted to Upper House of Parliament in Oct. 29, 2014

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
											ATAR Project Year 2 Achievements; 13. Trademark Law approved by Upper House. 14. Trademark Law endorsed by President. 15. Topography of Integrated Circuits Law sent to MOJ. 16.Draft Law on Plant Protection and Quarantine approved by Economic Commission of the Lower House 17. The Geographical Indications Law approved by the Parliament 18.The Trademark Law published by MOJ and came into force 19. Ministry of Finance/ACD approved the Procedure on Advance Ruling on Binding Decisions on July14, 2015 20. The draft Law on Standards and Technical Regulations was submitted to MOJ in July 2015 21. MOJ submitted the draft Law on Trade Secrets to the Council of Ministers July 7, 2015 22.MOJ submitted the draft Law on Industrial Designs to Council of Ministers on July 20, 2015 23.The Law on Geographical Indications was endorsed by the President August 2015 24.The Law on Geographical Indications was published in the official gazette in August 2015
12	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quart-erly	0	9	2	2	10	Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR. **The reforms in the project's results are: ATAR Project Year 1 Achievements;** 1. Institutional proposal accepted by MOCI for establishing a safeguard unit 2. Five ISO mirror committees established: petroleum products and lubricants; food products; textiles; gas cylinders; concrete, reinforced concrete and pre-stressed concrete 3. Mechanism for coordination and cooperation between ANSA and other government entities on enquiry/notification **The reforms in the project's results are: ATAR Project Year 2 Achievements;** 4. Institutional proposal accepted by MAIL PPQD for establishing three Pest Risk Assessment Units 5. Voluntary copyright registration mechanism established at MOIC

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
13	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quarterly	0	39	18	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level with ATAR support. **ATAR Project Year 1 Achievements;** 1. Twelve procedures related to Law on Food Safety drafted and agreed by working group at MOPH 2. Draft regulation for implementing Law on Animal Health finalized. 3. Seven procedures for implementing the Law on Animal Health prepared by the working group at MAIL 4. Draft regulations to implement Law on Plant Protection and Quarantine prepared by working group at MAIL **ATAR Project Year 2 Achievements;** 5. Three procedures related to Law on Food Safety drafted and agreed by working group at MOPH during December 2014 - March 2015 6. One procedure related to Law on Food Safety drafted and agreed by working group at MOPH during April-June 2015 7. Five additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during period Nov. 2014-March 2015 8. Four additional procedures implementing the Law on Animal Health prepared by the working group at MAIL during period April-June 2015 9. Four draft procedures for implementing Law on Plant Protection and Quarantine finalized 10. Draft copyrights coordination procedure finalized
PIR 1.2: WTO implementation process developed and executed											
14	Number of public events held to discuss trade and business policy matters with stake-holders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	210 events (2291 participants include 1,935 males, 356 females)	127 events (1427 participants include 1232 males, 195 females)	6	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, roundtable discussions, and other trade gathering. Note: In the first Year of the project ATAR met the life of project target. All three components conduct public events as part of implementation, therefore, targets set at baseline were exceeded and new targets have been adjusted for Years 3-4.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased											
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	35	15	5	30	The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements to enable necessary adjustments. **ATAR Project Year 1 Achievements;** 1. WTO awareness seminar for MOJ in February 2014 2. Awareness about regional opportunities (Dushanbe business-to-business event) June 2014 3. Fourteen awareness events about food control authority and the legal authority contained in the draft food law and its supporting regulations 4. Three events in October 2014 on building awareness of trade opportunities under CATF and World Food/Almaty 5. Sanitary and phytosanitary awareness seminar at MAIL in February 2014 **ATAR Project Year 2 Achievements;** 6.Awareness training seminar on trademarks for the private sector in February 2015 7.Awareness training seminar on procedures for trademark registration for the private sector (February 2015) 8.Awareness training seminar on trademarks for the legal community in February 2015 9.Two training seminar on geographical indications for the private sector in March 2015 10. Two awareness seminar on patents for private sector 11. Three awareness seminar on trademarks for academia 12. TIR awareness workshop for transport operator 13. Three WTO awareness in September 2015 14. WTO: Implications for Afghanistan Wheat and Flour Trade seminar in October 2015

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
16	Number of awareness documents prepared to educate about WTO and regional integration	Operational Indicator Output USAID requested indicator	Province	Project records	Quart-erly	0	36	23	2	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and trade opportunities. **ATAR Project Year 1 Achievements;** 1. Document for President Karzai office on WTO 2. Presentation developed for WTO awareness seminar for MOJ 3. Awareness materials on TIR 4. Copyrights general pamphlet 5. Copyrights music pamphlet 6. Copyrights publishers pamphlet 7. Copyrights awareness article 8. Educational materials on indication of production of place 9. Presentation to educate Tajik public and private sector about APTTA 10. Note to President Ghani on Afghanistan's WTO Accession 11. Strengthening food safety in Afghanistan 12. Good hygiene practices for businesses 13. SPS agreement awareness power point **ATAR Project Year 2 achievements;** 14. Note for President Ghani re bilateral trade issues with Pakistan 15. Note for President Ghani re transit trade issues with Pakistan 16. Awareness materials on geographical indications 17. Awareness materials on trademarks 18. Awareness materials on patents 19. Ten WTO awareness presentations and two WTO fact sheets 20. 10-page summary covering WTO status and merits of accession, regional implications, government procurement, and competitiveness; 21. A note on the road to the Nairobi Ministerial Conference; 22. A note on WTO and manufacturing in Afghanistan; 23. A note on the dispute settlement process and transit; 24. A note on benefiting from WTO membership; 25. WTO rules and commitments of Afghanistan; and detailed clarifications on commitments and service commitments
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased											

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
17	Change in public perception toward trade	Outcome/Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	91%	TBD from perception survey	TBD from perception survey	0	95%	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will conduct a survey to determine knowledge and perceptions among the general population and stakeholders.
PIR 2: Regional and global integration enhanced											
18	Percentage share of trade with regional partners	Outcome/Impact USAID requested indicator	Country	National statistics of respective countries	Annual	TBD	See the notes column	See the notes column	Tracking only	Tracking only	This indicator will capture the share of Afghanistan's trade with regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan and Kazakhstan.
Sub-IR 2.1: Enabling environment for enhanced access to regional markets established											

	2013		2014		2015	
	Import	Export	Import	Export	Import	Export
India	2.5%	22.5%	2.2%	27.6%	1.9%	33.8%
Kazakhstan	3.7%	0.4%	5.6%	0.8%	6.2%	0.7%
Kyrgyzstan	0.1%	0.0%	0.2%	0.0%	0.2%	0.0%
Pakistan	21.1 %	35.4%	19.2%	32.9%	21%	28.0%
Tajikistan	0.7%	2.4%	0.3%	5.9%	0.1%	4.0%
Turk-menistan	9.3%	3.0%	6.6%	1.3%	4.5%	0.7%
Uzbekistan	5.3%	1.9%	5.6%	0.5%	3.8%	0.5%

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov 2013 to Oct 2015)	Project Achievement for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
19	Number of initiatives on regional integration (Disaggregated by signed and launched)	Output USAID requested indicator	Type of initiative	Project records, MOCI	Quart-erly	0	7	3	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support. **ATAR Project Year 1 achievements;** 1. Transit and Transport Agreement with Azerbaijan launched 2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers of Afghanistan 4. Trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan launched **ATAR Project Year 2 achievements;** 5. Pakistan Afghanistan Tajikistan Transit Trade Agreement (PATTTA) launched 6. India allowed Afghan trucks to unload cargo in Indian territory (formal communication from India) 7. Lapis Lazuli Trade and Transit Agreement launched (Afghanistan, Azerbaijan, Georgia, Turkey, and Turkmenistan) launched
20	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	23	16	6	24	This indicator will capture the number of interactions and dialogues between businesses and government organizations in the region on policy reform issues. **ATAR Project Year 1 achievement ;** 1. Two trade facilitation workshops in the Kyrgyz Republic in April and June 2014 2. A session during the Dushanbe business-to-business event related to policy reform involving businesses and government representatives 3. A session led by MOCI/EPAA on March 19, 2014, with women businesses 4. A session at MOCI on July 16, 2014, regarding para-tariffs under SAFTA 5. A session at MOCI on July 17, 2014, regarding issues related to rules of origin 6. Session on regional trade challenges and practices under an export development course in the Kyrgyz Republic in May 2014

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov 2013 to Oct 2015)	Project Achievement for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
											ATAR Project Year 2 achievements; 7. Two roundtables in Kabul with private sector to discuss problems related to APTTA 8. Transport and logistics workshop held in Kyrgyzstan on Dec 22, 2014 9. Three public-private roundtables in Dushanbe on PATTTA in Feb. and March 2015 10. One public-private forum in Bishkek on the WTO TFA in March 2015 11. A session led MOCI to finalize SAFTA sensitive list in consultation with private sector, ACD and other ministries 12. Seminar on promoting Afghan exports to South Asia entailed significant dialogue between 80 businesses and government officials from MOCI and MOF/ACD 13. A roundtable in Bishkek on trade facilitation involving Ministry of Economy, border agencies, and traders on April 21 14. Roundtable in Tajikistan on August 21 on AEO 15. Co-planned the IRU TIR Roundtable on 23 August and the TIR National Capacity Building Workshop in Kabul, on August 24-25, 2015. 16. Roundtable with private transport sector in Ministry of Commerce and Industries on TIR, Kabul, on August 10 2015 17. Roundtable at MOC with private sector in early August concerning APTTCA meeting 18. Global Supply Chain Forum in Kabul in October 2015 19. Customs Consultative Council on customs security in Bishkek in October 2015
21	Number of proposals discussed to harmonized customs procedures or documents on transit corridors	Output USAID requested indicator	N/A	ATAR project records	Annual	0	12	12	5	20	This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays. ATAR launched a number of customs harmonization initiatives, including risk management and post clearance audit that are ongoing. **ATAR Project Year 2 Achievements;** 1. Memorandum on information exchange and trade facilitation between Afghanistan and Tajikistan 2. Memorandum on mutual exchange of risk management information in customs mattes (Afghanistan, Kyrgyz Republic, and Tajikistan) 3. Modality for single border stop between Afghanistan and Pakistan 4. Recommendations for conformity with WTO TFA in Afghanistan 5. Recommendations for conformity with WTO TFA in Kyrgyz Republic 6. Recommendations for conformity with WTO TFA in Tajikistan 7. Recommendations on advance rulings in Kyrgyz Republic 8. Recommendations on AEO for Uzbekistan 9. Recommendations to improve coordinated border management in Tajikistan 10. Recommendations to Tajik Customs regarding Institutional settings for effective management of post clearance audits and linking audit findings to the risk management system 11. Proposal for establishing AEO in Tajikistan presented to Customs 12. Modality for Afghan customs operating at Karachi port presented to ACD

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
22	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/ gender	Project records, EPPA	Monthly	0	964 firms	649 firms	80 firms	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and\or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR. ATAR helped build the capacity of 964 firms, as detailed below: In some B2B events large number firms participated and that is why ATAR is over target. **ATAR Project Year 1 achievements;** • June 2014 Dushanbe business-to-business event: 45 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, • 107 businesses from Dushanbe business-to-business event • July 2014 EPAA seminar series on market research and international markets: 10 • July 2014 seminar series on global logistics: 8 • October 2014 training and roundtables to prepare for participation in CATF/World Food: 13 • February/March 2014 preparatory meetings for CABOC in Afghanistan: 40

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov 2013 to Oct 2015)	Project Achievement for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
											ATAR Project Year 2 achievements; • 20 business attended two trainings on export in Kabul • 110 business attended transport conference in Kyrgyzstan • 81 businesses attended two roundtables and one seminar on export credit • 7 businesses were assisted to participate in Domotex • 15 businesses participated in India Stone Mart • 9 businesses were assisted to participate in Gulfood • 9 business participated in Aahar exhibition • 10 business were trained on Letter of Guarantee • 5 businesses were assisted to participate in World Food Exhibition in Kazakhstan in Nov. 2014 • 13 businesses were assisted to participate in a craft selling exhibition in Italy • 51 businesses comprising of businesses and government officials participated in TIR awareness seminar in Kabul • 22 businesses were participated in access to finance for trader conference • 23 businesses were participated in trade finance training • 80 private exporters participated in seminar on "Promoting Afghan Exports to South Asia" in May 2015 • 25 carpet producers and exporters business-t-business event co-organized with ABADE • 42 CATF participants in Kyrgyzstan in October (Afghan firms) • 84 Global value chain event participants in Afghanistan October (Afghan firms)
Sub-IR 2.2 Benefits from enhanced market access expanded											
23	Cost to travel 500 KM per 20 ton ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	AFN 79,000 Corridor 5, AFN 35,950 Corridor 6	AFN 119,650 Corridor 5 (2013)	AFN 119,650 Corridor 5 (2013)	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
24	Number of laden vehicles crossing Afghanistan border in each direction	Outcome/ Impact Required by Prime Contract	By Torqundi, Hairatan, Sher khan Bandar, Torkham and Weish	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175,770 Exports: 32,451 Weish: Imports 35,166 Exports 2,167	Will be reported next Annual report	Will be reported next Annual report	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.
25	Average cost of crossing borders ($)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CAREC Corridor Performance Management and Monitoring (CPMM)	Annual	AFN 7,850 (2012)	AFN 11,750 (2013)	AFN 11,750 (2013)	Tracking only	Tracking only	The average of total expenses to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable.
PIR 3:Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation											

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
26	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	AFN 380,018 million in 1391	AFN 44,846 million in 1393	AFN 44,846 million in 1393	3%	3%	This indicator tracks the overall growth of customs revenue as an expected outcome from implemented reforms and anti-corruption measures. A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses. ATAR will report on this indicator, but will not be held accountable for achieving specific results. Statistics as reported by ACD.
PIR 3.1: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade improved											
27	Number of permanent professional positions allocated for women within ACD that have been staffed	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarter-ly	77	1 (60 ACD)	1 (60 ACD)	100	175	In line with the Tokyo Mutual Accountability Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020. Note: The recruitment of females is dictated by the Ministry of Finance tashkeel.
28	Number of female interns completing a six-month internship in ACD	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	35	35	40	100	ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months. Note: This indicator tracks female interns but during recruitment in Year 2 ATAR could not find eligible female candidates for all vacancies. ATAR hired both male and female interns and is reporting total interns disaggregated by gender (16 females and 19 males)

<table>
<tr><th>#</th><th>Indicator</th><th>Indicator Type</th><th>Disaggre-gation</th><th>Data Source</th><th>Timing</th><th>Baseline</th><th>Project Achieve-ment from Start (Nov 2013 to Oct 2015)</th><th>Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015</th><th>Year 2 Targets (Nov 14 Nov 15)</th><th>Life-of-Project Target</th><th>Notes</th></tr>
<tr><td>29</td><td>Average number of days required to trade goods across borders (average of export/import time)</td><td>Outcome/Impact

Required by Prime Contract</td><td>Province</td><td>ACD World Bank Doing Business report</td><td>Annual</td><td>Herat:
6 hours
17 minutes
Hairatan:
3hrs
43 minutes
Jalalabad
4 hours
18 minutes
Sher Khan Bandar:
2 hours
13 minutes
Aquina:
3 hours
21 minutes</td><td>Herat:
3 hours and 30 minutes
Hairatan:
2 hours
40 minutes
Jalalabad
3 hours
30 minutes
Shir Khan Bandar:
2 hours
30 minutes
Aquina:
2</td><td>See Notes</td><td>Tracking only</td><td>2 hours</td><td>This Sub IR indicator is from the World Bank's annual Doing Business report (see the indicator table in the back of the publication). It is a component of the "trading across borders" section, and is comprised of the components called "time to export (days)" and "time to import (days)"
<table>
<tr><th>ICD</th><th>Green</th><th>Yellow</th><th>Red</th></tr>
<tr><td>Mazar (Balkh ICD)</td><td>1 hour 10 minutes</td><td>1 hour 30 minutes</td><td>2 hours</td></tr>
<tr><td>Aquina ICD</td><td>50 minutes</td><td>1 hour 30 minutes</td><td>2 hours</td></tr>
<tr><td>Sher Khan Bandar</td><td>40 minutes</td><td>1 hour 10 minutes</td><td>1 hour 40 minutes</td></tr>
<tr><td>Herat</td><td>55 minutes</td><td>1 hour 40 minutes</td><td>2 hour 30 minutes</td></tr>
<tr><td>Jalalabad</td><td>58 minutes</td><td>1 hour 12 minutes</td><td>1 hour 35 minutes</td></tr>
<tr><td>HKIA</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
</table>
Note:
No figures for Kabul ICD as ATAR are not working there due to security.
No figures for HKIA has ATAR does not have a National Specialist Deployed there.
Heart has increased substantially due to increased checks which is impacting on overall times</td></tr>
<tr><td>I 30</td><td>Number of documents required to export/import goods across borders decreased as a result of USG assistance</td><td>Outcome/Impact

Required by Prime Contract</td><td>Import, export</td><td>The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers</td><td>Annual</td><td>10 Import/ 10 Export (World Bank Doing Business report 2014)</td><td>10 Import/ 10 Export (World Bank Doing Business report 2015)</td><td>10 Import/ 10 Export (World Bank Doing Business report 2016)</td><td>Tracking only</td><td>Tracking only</td><td>Reduction in documents required to trade goods across borders as imports or exports; change in the total number of documents required as per World Bank Doing Business Indicator, confirmed by the Mission. Reducing the number of different documents required in cross border trade is key to maximizing the improved efficiency that trade generates as a basis for faster economic growth and poverty reduction.</td></tr>
</table>

#	Indicator	Indicator Type	Disaggregation	Data Source	Timing	Baseline	Project Achievement from Start (Nov 2013 to Oct 2015)	Project Achievement for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
31	Time to export/ import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	96 hours, import, 48 hours, export (World Bank Doing Business report 2016)	Tracking only	Tracking only	Missions are not expected to report on this indicator. The information is tracked by EGAT. The time necessary to comply with all procedures required to export goods. If a procedure can be accelerated for an additional cost, the fastest legal procedure is chosen. Doing Business compiles procedural requirements for exporting a standardized cargo of goods by ocean transport. Documents associated with every official procedure are counted—from the contractual agreement between the two parties to the delivery of goods—along with the time and cost necessary for completion. For exporting goods, procedures range from packing the goods at the warehouse to their departure from the port of exit. The time and cost for ocean transport are not included. Payment is made by letter of credit, and the time, cost and documents required for the issuance or advising of a letter of credit are taken into account. The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators. Note: In 2016 World Bank Doing Business Report the indicator (Time to export & import) changes to (Time to export & import : Border compliance (hours)
32	Number of customs systems in line with international best practices adopted	Outcome/Impact USAID requested indicator	ICD	ATAR project records	Annual	0	3	3	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline. Implemented: 1. E-payment has been implemented at two locations. National roll-out will start next quarter. 2. Hotline has been re-activated. Outreach campaign will be in next quarter. 3. ANCA Standard Operating Procedures agreed with ACD Systems that are not yet implemented are: the Professional Standards Unit, the Internal Compliance Unit, and the Post Clearance Unit.
33	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	1	1	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management. Note: This will be a priority in the next year. ATAR will undertake an informal review of the current systems in place for risk profiling, risk management profiles (part of internal audit unit review to improve internal compliance), risk registers etc. Implemented: 1. Risk management working group Procedures not yet implemented are: management profiles, sites profile for border crossing points, and site profiles for Inland Customs Depots.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
34	Number of training modules developed by ATAR	Outcome/ Impact USAID requested indicator	None	ATAR project records	Annual	0	26	26	15	45	This indicator captures number of modules ATAR developed in support of ANCA: **ATAR Project Year 2 Achievements;** Training modules developed in Year 1: 1. Basic Risk Management; 2. Intermediate Risk Management; 3. Risk Profiling; 4. Valuation Fraud; 5. Valuation (Basic); 6. Professional Standards; 7. PCA Awareness / Implementation; 8. Compliance for Senior Management. Training modules developed in Year 2 (April to June 2015): 1. Mobile verification Team; 2. Vehicle search; 3. Coach search; 4. Airport; 5. Freight; 6 Compliance and risk management; 7. Audit procedures and working papers; 8.Post clearance audit process; 9. Operational and tactical audit planning Training Modules developed in Year 2 (July to September 2015): 1. Time Management Planning; 2. Problem Solving Advanced; 3. Effective Meetings-Participating and Chairing; 4. Management Presentation Skills; 5. Leadership; 6. Influence; 7. Decision Making; 8. Staff Motivation; 9. Management Delegation Note: A minimum of 10 modules will be developed in year 3.
35	Revenue collection by electronic means	Outcome/ Impact USAID requested indicator	ICD	ACD	Annual	0	2* (12%)	2* (12%)	50%	75%	The collection of revenue by electronic means relates to the amount of ICDs that have ASYCUDA and the percentage of declarations processed through ASYCUDA compared to the total of declarations received at all Inland Customs Depots (ICDs). Note: ATAR project is under target for Y2 because E-Pay is currently operating at two ICDs (HKIA/Kabul ICD). There are a total of 17 ICDs/Border Crossing Points in Afghanistan, all of which have ASYCUDA World which is required for the collection of customs taxes. ATAR expects as E-Pay is rolled out to more ICDs this figure will increase for Y3.
36	Person hours of training completed in trade and investment enabling environment supported by USG assistance	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Monthly	0	146 trainings (2,679 participants including 2,196 male and 483female) 20,168v person hours of training	87 trainings (1664 participants including 1343 male and 321 female) 12,426 person hours of training	30 Trainings 300 participants	120 trainings/ 1,200 participants	This indicator uses the following equation to express the number of USG-supported training hours that were completed by training participants: Hours of USG supported training course x Number of people completing that training course Support from the USG: This indicator counts training hours that were delivered in full or in part as a result of USG assistance. This could include provision of funds to pay teachers, providing hosting facilities, or other key contributions necessary to ensure training was delivered. Note: All three components conduct training sessions both in-country and in 3rd country, and therefore targets set at baseline were exceeded and will be adjusted for years 3 & 4.
Cross-Cutting Indicators											

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
37	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarter-ly	0	18	11	6	24	Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector will be captured under this indicator. **ATAR Project Year 1 Achievements;** 1. Consultative meeting on Feb. 22 with fruit and vegetable businesses 2. Consultative meeting on March 3 with handicraft, carpet, gemstones, and marble businesses 3. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 4. Consultative meeting with KCCI regarding customs valuation practices 5. Working group for development of implementing regulations for food safety law 6. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment 7. Working group on developing implementing legislation for the law on animal health **ATAR Project Year 2 Achievements;** 8. Consultative meeting on sensitive list with stakeholders 9. Consultative meeting with Afghan Marble Association on problems in marble sector 10. Consultative meeting with the ministry of Transport on revising transport laws in the context of TIR 11. Consultative meeting with MOCI on reactivation of TIR 12. Customs consultative meeting in Bishkek between customs and traders on June 18 13. Consultative working group on trade facilitation lake IssykKul June 15-16 14. Roundtable in Tajikistan on Post Clearance Audit in September 2015 15. Roundtable with private transport sector in Ministry of Commerce and Industries on TIR, Kabul, on 10 August 2015 16. Consultative process Aug 15 with Afghan Marble Association on removing ban on export of marble in rough form. 17. Roundtable at MOC with private sector early August concerning APTTCA meeting 18. Customs consultative Council on customs security in Bishkek in October 2015
38	Person-days of training of key personnel in trade and customs regulation	Output USAID requested indicator	Province, Gender	Project records	Monthly	0	156 days	156 days	15 Days	70 days	Government, private sector participants, days, hours in trainings of trade and customs regulation. Note: During the second year of the project more training sessions conducted for ACD employees than anticipated and ATAR exceeded the y2 target.

#	Indicator	Indicator Type	Disaggre-gation	Data Source	Timing	Baseline	Project Achieve-ment from Start (Nov 2013 to Oct 2015)	Project Achieve-ment for Seond Annual(Nov 2014 to Oct 2015	Year 2 Targets (Nov 14 Nov 15)	Life-of-Project Target	Notes
39	Number of laws, policies, or procedures drafted, proposed or adopted to promote gender equality at the regional, national or local level (GNDR-1)	Output USAID requested indicator	By law, policy, or procedure	Project/ program reporting	Annual	0	0	0	Tracking only	Tracking only	Any law, policy, or procedure designed to promote or strengthen gender equality at the regional, national or local level, which was developed or implemented with USG assistance.

G. CHALLENGES AND LESSONS LEARNED

1.Challenges

While security challenges and ensuing restrictions impeded ATAR's presence at counterparts at times, each project component faced unique obstacles as well.

Component 1: Support Trade Policy Liberalization

ATAR dealt with a thorough transition in the Afghan government that resulted in a change in top officials throughout 2015. Although Afghanistan was in its final stage of WTO accession at the end of 2014, the new administration placed accession on hold through the first half of 2015. When the administration turned its focus back to WTO accession in mid-2015, ATAR worked closely with remaining staff at MOCI to raise awareness of the President's administration and the new Minister of Commerce and Industries of WTO benefits, Afghanistan's progress, and remaining steps. As a result of ATAR's efforts in the face of these high-level challenges, Afghanistan will conclude WTO accession negotiations in 2015.

Component 2: Facilitate Enhanced Access to Regional Markets

The Turkmen and Uzbek governments are only open for very limited activities with very lengthy bureaucratic procedures. Despite these challenges, regional staff in those countries continued to work with USAID Missions to propose assistance in improving the countries' trade environment. In one significant example of a breakthrough, ATAR delivered training to Uzbek Customs – the first event of any kind held by USAID directly with Uzbek customs for more than a decade.

While the continuing conflict between Kyrgyzstan and Tajikistan regarding the Karamyk border crossing point impeded ATAR's work on customs cooperation, the project continued to work directly with the country's individual customs administrations to develop close relationships and align their procedures with international best practices.

Implementing activities in Kyrgyzstan became problematic during the second half of 2015 as result of renouncement by Kyrgyzstan of the bilateral agreement with the United States. This issue is expected to be addressed by early 2016.

Component 3: Improved Customs Administration

Security concerns regarding ACD in particular prevented ATAR's expatriate staff from embedding at the site. The staff conducted visits and meetings at ACD where possible and relied as necessary on local ATAR staff who continued to work at ACD with intermittent security restrictions. ATAR also invited ACD to its compound for trainings and meetings.

ACD saw a transition in top management following the presidential election – with a change in the Minister of Finance, Deputy Minister of Finance, ACD Director General, and various Directors. ATAR worked with the new officials to brief them on activities and gain their approval on future initiatives.

Under its first ACD internship, ATAR received few applications from qualified women. In addition, ACD has a government-approved organizational structure and only a limited number of vacancies arise; those

vacancies often require training from the Civil Service Commission. ATAR is working to expand advertising to reach more women and working with ACD and USAID's Women in Government project to increase chances for long-term employment.

2.Lessons Learned

ATAR is building upon experiences and challenges of two years of operation, using "lessons learned" to help improve the project. The following lessons are also stated in ATAR's third-year work plan.

1. **Internship program**

a. *Lesson:* The internship program requires a comprehensive plan that is well communicated with counterparts and interns.
b. *Tactic:* Develop an internship plan that focuses on the interns' professional and personal growth, including raising awareness of gender issues among interns as well as counterparts, and implement the plan in close coordination with counterparts.

2. **Women's recruitment**

a. *Lesson:* Learning by example is one of the most effective ways to help reduce gender disparities in Afghanistan. When staff are exposed to professional women in a work setting, they are more likely to have a favorable view of women in the work place.
b. *Tactic:* Focus recruitment efforts on women where possible, including expanding advertising from general employment websites to the Ministry of Women's Affairs, local universities, and women's associations in an effort to increase female applicants.

3. **Women's capacity building**

a. *Lesson:* There is a need for targeted training for Afghan businesswomen to meet their specific business needs and challenges.
b. *Tactic:* In addition to general trade-related awareness training, target businesswomen and work with them to build their capacity to export quality products.

4. **Central Asia communications and coordination**

a. *Lesson:* Central Asian activities involve multiple stakeholders and require consistent coordination and communication with different USAID missions and projects.
b. *Tactic:* Increase coordination efforts with all relevant USAID missions and projects through conference calls, meetings, electronic communications, and trips by management from Kabul to Central Asia, and ensure preliminary and final plans are well communicated.

5. **Security challenges**

a. *Lesson:* Security challenges can limit the physical presence of expatriate and national personnel at government counterparts, cause delays in the implementation of activities, and reduce the credibility of the project.
b. *Tactic:* Continue to work closely with national staff to liaise with government counterparts and implement activities. Continue to conduct training at alternative locations, such as the Baron; meet with government representatives at alternative locations, such as the Baron or U.S.

Embassy; and discuss with counterparts any concerns they may have regarding project security restrictions.

6. Continuous communication with government counterparts

a. *Lesson:* Understanding and buy-in from counterparts helps secure their commitment on activities and builds relationships with the project.
b. *Tactic:* Continue steady communications and frequent updates with government counterparts through meetings, electronic communications, reports, and one-page progress sheets.

7. More transparency in recruiting

a. *Lesson:* Recruitment for positions embedded at government counterparts is a sensitive matter due in part to divisions among Afghanistan's ethnic groups and differing views on necessary qualifications.
b. *Tactic:* Involve human resources as well as component leaders in long-listing and short-listing of candidates, be receptive to counterpart feedback and concerns, and continue involvement of counterparts in the selection of final candidates for embedded positions.

8. Inter-project cooperation

a. *Lesson:* Other donor projects offer opportunities to synergize and expand upon the project's trade promotion activities.
b. *Tactic:* Continue coordination and partnership with other donor projects to ensure cost-efficiency, expand upon activities, and maximize participation.

9. Capacity building and transition

a. *Lesson:* Afghan project employees are fundamental to the continuation of project efforts in its fourth and final year and to the overall sustainability of activities.
b. *Tactic*: Continue following transition plans, leverage in-house training opportunities for local staff, and transition responsibilities and activities where possible to Afghan staff throughout the third year.

10. Participatory approach

a. *Lesson:* Counterparts need to conduct and take ownership of project activities, rather than ATAR staff performing the activities.
b. *Tactic*: Ensure an individual at the counterpart is assigned responsibility for an ATAR project activity so that the person understands the task, takes ownership, and works toward to sustainability of the effort.

11. Intra-project coordination

a. *Lesson:* Project components working simultaneously at a government counterpart or entity need to ensure coordination on activities.
b. *Tactic*: Project component staff members will ensure all relevant team leaders are regularly informed of activities at the government counterpart or entity.

ANNEX A:ATAR SUCCESS STORIES

USAID FROM THE AMERICAN PEOPLE | AFGHANISTAN

SNAPSHOT

Customs E-Pay Brings Security and Ease

Afghanistan piloted a system that enables importers to pay their customs duties electronically.



A telecommunications company employee checks with a customs official on release of his imports after paying duties electronically.

"The new system is good for us, because it's secure. The money goes from one bank to another bank," said Sayed Hasib from AWCC. "It was very difficult to transport money due to security. Transferring from one bank to another is safe."

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With their imports of expensive, high-tech equipment and large boxes of pre-paid phone cards, Afghanistan's five major telecommunications companies account for half of all the customs duties collected at Hamid Karzai International Airport in Kabul.

The major telecommunications companies such as AWCC, Roshan, and MTN paid their customs duties with hefty amounts of cash. The companies hired armed guards to protect armored vehicles filled with plastic bags bulging with Afghan currency. The vehicles drove to the customs site where the bags were unloaded and hauled into an office so customs officials could count the bills.

Last May, the Afghanistan Customs Department and Da Afghanistan Bank, with the support of USAID's Afghanistan Trade and Revenue project, launched electronic payment, or E-Pay, of customs duties for all importers. The system, which piloted in Kabul and will rollout to customs sites nationwide, transformed payment of customs duties from a high-risk logistical endeavor into a simple electronic transaction.

"The new system is good for us, because it's secure. The money goes from one bank to another bank," said Sayed Hasib, senior logistics officer at AWCC. "It was very difficult to transport money due to security. Transferring from one bank to another is safe."

With E-Pay, an importer can pay customs duties electronically through any commercial bank. After electronic notification of the trader's payment from the commercial bank, the Da Afghanistan Bank branch at each customs office issues a payment confirmation for each transaction and submits it to the customs office. Customs then issues the release order for the goods.

"This is a good initiative for customs to facilitate trade," Adnan Sahil, the customs clearance manager at MTN. "We are happy that we don't have to take a lot of money in cash. Payments in cash take a lot of time, and we could use that time for investment."

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SNAPSHOT

"Amazingly Real Afghanistan" Debuts at Expo

The Afghanistan Pavilion at Expo Milano 2015 is drawing thousands of visitors every day.



A visitor at the Afghanistan Pavilion in Milan, Italy, smells the country's saffron.

"Since the beginning, the first aspect that has impressed me is the commitment of the government and the people of Afghanistan to communicate themselves out of stereotypes," said Filippo Ciantia, a director of Expo 2015.

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Expo Milano 2015 offers visitors the chance to see the world in one place. More than 140 nations, including Afghanistan, are showcasing their sights, sounds, smells, and tastes at the exposition in Milan, Italy.

With the focus of this year's event on food, the Export Promotion Agency of Afghanistan (EPAA) organized the Afghan Pavilion around the "Amazingly Real Afghanistan" tagline – referring to the country's organic produce. In addition to saffron, fruit, and nuts, the pavilion offers a glimpse of another side of Afghanistan.

"We tried to exhibit the tradition, culture, and the products of Afghanistan in the Afghanistan Pavilion in the best way so [visitors] feel like they are in Afghanistan when they go into the pavilion, so they get familiar with the smell of Afghan food," said Navid Mohseni, EPAA's general marketing manager. "The visitors are welcomed by Afghan saffron tea and Afghan sweets."

The pavilion draws about 2,000 visitors daily, many of whom come after seeing the pavilion mentioned in newspapers or hearing about its small restaurant offering traditional cuisine.

"Most [visitors] were not familiar with Afghan food, and they mostly know Afghanistan by war," said Barialai Nazary, the Afghan Pavilion restaurant manager. "I am grateful we could successfully introduce a different Afghanistan with its culture and its food."

USAID's Afghanistan Trade and Revenue project supported EPAA in organizing its participation and creating marketing materials. Preparations for the six-month exhibition began last year.

"Since the beginning, the first aspect that has impressed me is the commitment of the government and people of Afghanistan to communicate themselves out of stereotypes," said Filippo Ciantia, a director of Expo 2015.

Visitors are leaving the pavilion with knowledge of Afghan exports, an appreciation of its food, culture, and history, and a sense of the hospitality underpinning the real Afghanistan.

"It's really a pleasure to know another aspect of your country and this culture," said Danielle, a visitor from Italy.

ANNEX B: WTO LEGISLATIVE ACTION CHART[12]

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry[13] 2. Ministry of Justice 3. Council of Ministers/Cabinet[14][15] 4. Parliament 5. President 6. Entry into Force	Laws/Regulations Included in MOJ Agenda[16]
1	Amendments to the 2005 Customs Law	Afghanistan Customs Department (ACD) Wali Faqirzaad Brian O'Shea	On October 25, the Legislative Committee of the Council of Ministers held a session under the supervision of the Second Vice-President. During the session, the Second Vice-President instructed that, based on a decree of President Ghani to review trade-related laws submitted under President Karzai's administration, that stakeholders such as the Ministry of Finance, ACD, and Afghanistan Chamber of Commerce and Industries (ACCI) review the law again and resend it to the Legislative Committee of Council of Ministers.	Ministry of Justice	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	The Ministry of Finance/ACD approved the procedure in July 2015. ATAR updated the English version of the procedure and submitted the document to ACD in September 2015.	Sponsoring Ministry	N/A

[12] The legislative chart reflects status of the legislative items as of the end of October 2015.
[13] Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.
[14] Under the National Unity Government, there is a Council of Ministers and a Cabinet. The Council of Ministers is chaired by Chief Executive Officer Abdullah, and the Cabinet is chaired by President Ghani. Under the prior government, there existed only a Council of Ministers.
[15] Regulations go to the Council of Ministers and do not proceed further.
[16] Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	In July 2015, ANSA's management board approved the draft law and sent it to MOJ. In October, MOJ sent the law back to ANSA due to its full schedule; MOJ will include it in its next year's work plan for review.	Sponsoring Ministry	Yes[17]
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	In June 2015, the Upper House of Parliament approved the draft law. In July 2015, the law was submitted to the President for signature.	President	Yes
6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	During October, MOJ had two working group meetings on the law and reviewed the first four articles with ATAR assistance. Once the review is finalized, the law will proceed to MOJ's Executive Committee.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	During a meeting chaired by both deputy ministers in August 2015, MAIL and MOPH agreed both ministries will implement the law jointly and their jurisdiction will be defined in a regulation. ATAR provided technical support by preparing and reviewing the proposed language of the regulation. In October 2015, MOPH and MAIL continued discussions on areas of responsibility. Once MOPH and MAIL reach an agreement, the law will be sent to the Council of the Ministers.	Ministry of Justice	Yes
8	Procedure on Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure in April 2014.	Entered into force	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	Ministry of Commerce and Industries (MOCI) Wali Faqirzaad Polly Maier	In June 2015, the Legislative Committee of the Council of Ministers held its first session on the law. The Adviser of the Second Vice-President and other participants had comments. In August, ATAR reviewed the comments, aligned them with WTO, and provided explanations. In September 2015, ATAR submitted the draft to MOJ. After reviewing comments and proposals of stakeholders, MOJ will resend the law to Council of Ministers.	Ministry of Justice	Yes

[17] Although not on the 1393 or 1394 agenda, MOJ has agreed to consider the draft Law on Standards and Technical Regulations.

10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In February 2015, the President endorsed the law. On May 20, 2015, the law was published.	Entered into Force	Yes
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	In June, ATAR finalized the draft with the Afghanistan Development and Peace Research Organization (ADPRO). In October, ADPRO said that it will have additional proposed changes regarding the draft. ATAR urged MOJ to resendthe draft to the Council of Ministers, because ADPRO was delaying the process as the draft was approved by the Legislative Committee of the Council of Ministers in November 2014. MOJ prepared an official letter to send the draft law to the Council of Ministers, and the letter is awaiting signature by the Minister of Justice.	Ministry of Justice	Yes
12	Law on Geographical Indications	MOCI Wali Faqirzaad Polly Maier	The President endorsed the law on August 4, 2015, and it was published in the official gazette on August 17.	Entered into Force	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	In July 2015, the Legislative Committee of the Council of Ministers approved the draft with minor changes. The draft was sent to the Cabinet, and the Cabinet approved the law on August 25. ATAR is assisting MOJ in translating the law from Dari into Pashto. Upon completion, the law will be sent to the Lower House of Parliament.	Cabinet	Yes
14	Draft amendments to the Commercial Code	MOCI Wali Faqirzaad Polly Maier	In June 2015, the Supreme Court submitted the amendments to MOJ with comments and modifications.	Ministry of Justice	Yes
15	Law on Protection of Trade and Industry Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	On October 11, ATAR participated in a session with the Legislative Committee of the Council of Ministers on the draft law. At the session, the committee asked MOJ to include certain definitions and bring changes in the penalty section. MOJ and ATAR shared the changes with MOIC's Acting Head of Legal Affairs, who agreed to the changes. ATAR is reviewing the changes to ensure the draft is fully consistent with WTO requirements.	Council of Ministers	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzad Polly Maier	In April 2015, ATAR succeeded in including the law in MOJ's legislative plan. The Council of Ministers approved the plan, and the law is scheduled for review in the fourth quarter.	Ministry of Justice	No
17	Law on Consumer Protection (provisions on Unfair	MOCI Sayed Agha Hashimi	In October 2015, the Council of Ministers approved the draft law with one minor revision. MOJ made the revision and sent the law	Cabinet	Yes

	Competition)	Polly Maier	to the Cabinet.		
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	In June 2015, ATAR met with the Minister of Commerce and Industries, who said he was prepared to resolve any problems agencies had with WTO laws, including this law. Upon his request, ATAR prepared a summary of the draft law. ATAR will submit it to the Minister, who will encourage the MAIL Minister to proceed with the draft.	Sponsoring Ministry	Yes
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad	In June 2015, the amendments on the law were submitted to the Legislative Committee of the Council of Ministers. In July 2015, ATAR updated the English version of the amendments.	Council of Ministers	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar	In October, MOJ's relevant legislative department finished its review of the amendments. On October 30, MOJ's Legislative Executive Committee held its first session to discuss the amendments.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi	On October 15, ATAR assisted MOJ in finalizing its technical review of the law.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi	MOCI finalized the draft, which will be adopted once the Law on Foreign Trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad Farhat Farhat	The draft is at ACD for final review and is awaiting signature. MOCI, with ATAR support, requested ACD's former Director General act on the draft. ACD management changes delayed final signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	On August 30, 2015, ATAR assisted MOCI in sending a letter to MOPH highlighting parts of the regulations inconsistent with WTO and requesting a reduction of fees for producers so the fees match those charged importers; this would comply with WTO and eliminate discrimination between producers and importers. On October 3, ATAR met the MOPH's Pharmacy Department and explained those parts of the regulations inconsistent with WTO requirements. MOPH's Pharmacy Department said it would take those parts into account while preparing changes to the regulation.	Sponsoring Ministry	N/A

25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF) Wali Faqirzad Farhat Farhat	ATAR met with the Afghan Revenue Department (ARD) in April 2015 to discuss proposed WTO-related changes to this law.	Sponsoring Ministry	N/A
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi	In October, MOJ returned the draft to MOCI with comments. ATAR provided technical assistance to MOCI to address the comments, and MOCI will resend the draft to MOJ.	Sponsoring Ministry	Yes
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Upper House and signed by the President. It is awaiting publication in the official gazette.	President	Yes
28	Law on Minerals	Ministry of Mines	President Karzai endorsed the law in August 2014. The law is published in the gazette.	Entered into Force	Yes